# ASSESSING THE CURRENT SOCIO-ECONOMIC EFFECTS OF THE EAST AFRICAN CRUDE OIL PIPELINE PROJECT (EACOP) ON THE COMMUNITIES IN KIKUUBE DISTRICT

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STUDENT REGISTRATION NUMBER: J20M47-004

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER'S DEGREE IN BUSINESS ADMINISTRATION IN OIL AND GAS MANAGEMENT AT THE INSTITUTE OF PETROLEUM STUDIES KAMPALA IN AFFILIATION TO UCU.**

November 2021

**Declaration**

I, NATHAN OSINDE ONDESI hereby declare that this is my original work, it is not plagiarized and has not been submitted to any other institution for any award. It is worth commending my supervisor who guided throughout the process of completing this study.

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**Approval**

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**Acknowledgement**

My profound and heartfelt thanks go to the Sovereign Lord, who, by His grace has brought me this far through all challenging and difficult times. I truly thank Him for giving me the wisdom, knowledge and all the support I needed to complete this study. I feel a deep sense of gratitude to my Supervisor, Professor Bruno Yawe, not forgetting all my lecturers for their time, guidance and encouragement from the beginning to the final stages of this report writing. Furthermore, I am highly delighted to my entire family members for their unconditional prayers, love, inspiration, support and motivation throughout my academic and professional journey.

I cannot forget to thank all my friends and course- mates especially Godfrey Himbaza and Gerald Obbo, whose presence always served as a source of encouragement and inspiration.

**May The Almighty God Bless You Abundantly!**

**ACRONYMS**

AIDS Acquired Immune Deficiency Syndromy.

CNPC Chinese National Petroleum Corporation

CSR Corporate Social Responsibility

EACOP East Africa Crude Oil Pipeline

FAO Food and Agriculture Organisation

FR Forest Reserve

FSO Floating, Storage and Offloading

GoU Government of Uganda

GRA Global Rights Alert

HGA Host-Government Agreement

HIV Human Immuno-Deficiency Virus

IUCN International Union for Conservation of Nature

MEMD Ministry of Energy and Mineral Development

MoU Memorandum of Understanding

NCTL Nembe Creek Trunk Line

NGO Non-Governmental Organisation

NOC National Oil Company

PLE Primary Leaving Examinations

RDC Resident District Commissioner

SACCO Savings and Credit Cooperative

SPV Special Purpose Vehicle

UACE Uganda Advanced Certificate of Education

UBOS Uganda Bureau Of Statistics

UCE Uganda Certificate of Education

UNDP United Nations Development Program

UNEP United Nations Education Program

UPIK Uganda Petroleum Institute Kigumba

USA United States of America

WOMAD World of Music, Arts and Dance

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**ABSTRACT**

The study sought to discover and explain the socioeconomic effects of the east Africa Crude Oil Pipeline (EACOP) in Kikuube district. The central questions sought to understand how land-acquisition and construction activities relating to the pipeline as well as the influx of people into the area affected the livelihoods of people and the rural economy. Using a Case-study design, qualitative data was collected from 3 focus groups each comprising of 10 participants randomly selected from villages in the 2 sub-counties of Buhimba and Kiziranfumbi in Kikuube. 10 local leaders were also considered in this study. Using the Colaizzi framework, the data collected were then framed into different themes and analysed for patterns.

It was discovered that the study area had acquired new infrastructure such as roads and electricity which facilitate smooth business activities and also enhance the inherent way of life. Respondents also reported that the oil companies were helping in skilling and education of the locals which portends future employment benefits. The influx of people had also created a large market for the goods and services produced locally, and it also translated into a great labour force; sectors like hospitality, tourism and entertainment have also greatly benefited.

However, the EACOP project has displaced thousands of people from their land and inevitably curtailed their ability to practice agriculture which for a long time was the main source of livelihood in the study area. EACOP and other like projects have also led to environmental degradation as trees have been cut down and wetlands drained to create way for them. The land situation in the area is also worrying due to incessant conflicts between the natives and land grabbers, numerous complaints of low compensation rates and unfavourable relocation conditions. The influx of people into the area was also another source of concern due to strain placed on the environment, potential for conflict and, the moral and cultural degradation that result from such intermixing.

Since the petroleum/extractives sector is still growing in Uganda, it was recommended that government and concerned stakeholders install systems and structures that ensure adequate information flow, proper planning and preparation as well as competent management and enforcement mechanisms to optimally harness the benefits to be accrued from this sector while minimising the negative ones.

# 1. INTRODUCTION

## 1.1. Background

Human beings depend on the resources they derive from the environment for their well-being and survival (Nwankwo, 2015). In modern times, oil and gas resources have had the most profound impact on world civilisation than any other single natural resource recorded in history. Oil shapes the geopolitics of a country/region, altering the destinies of nations and their people, as it fuels industrialisation in the developed countries and also provides revenues for the producers. The demand for hydrocarbons today continues to grow, fuelled by the transport sector, despite mounting global pressure to reduce our carbon footprint by embracing renewables. Since most often than not, the countries that produce the oil do not have the financial and technological capabilities to process the crude and ultimately consume the bulk of its by-products, there is always great need to develop a robust, cheap and easy to maintain transportation network to move them from one place to another. Pipelines have proven to be of great importance in this regard. Statistica (2020) states that there were over 1300 oil and gas pipelines in the world by April 2020, traversing many nations; this underscores their centrality in the petroleum industry.

### Global Context

The construction of a pipeline in any part of the world today usually commands behemoth financial and technological investments, notwithstanding the necessary human-resource capabilities, land requirements as well as materials to be used. In addition to their strategic importance, these projects often times take precedence over indigenous industry and any other environmental or social concerns. This often bears both positive and negative ramifications.

For example, the 2,798km long Kazakhstan-China crude oil pipeline, first proposed in 1997 (and commissioned in 2006), a joint-venture between China National Petroleum Corporation (CNPC) and KazMunayGaz, cost both parties up to a tune of US$ 3 billion. It was built to link the Kazakhstan oil resources in the Caspian sea to the Dushanzi refinery in Xinjiang province in China (Sukhanov, 2005). This provided a win-win situation for both countries since it provided Kazakhstan with a huge and ready market for its huge crude oil reserves, whereas China, an economy with a huge and ever-growing energy demand obtained cheap crude for its refineries. Despite several environmental concerns from civil society, socio-cultural issues and other criticisms levied upon this project, it has continued to displace numerous people and

industry, with more infrastructures being put in place to accommodate the ever-increasing demand for hydrocarbons in China (China Daily, 2006).

In comparison, in North America, the Keystone Pipeline system has been marred with several court cases laden with issues of displacement of indigenous communities and environmental degradation. It is meant to transport 830,000 barrels per day of the Canadian oil sands, which are in huge reserves, to the large refining markets in the American Midwest and the Gulf Coast. This would provide cheap and ready market for the Canadian oil sands, which are comparatively more expensive to refine elsewhere. It also reduces on the American dependence on crude imports from Venezuela and the Middle-East (TransCanada, 2017). However, this project which was proposed in 2005 and had its first phase completed by 2008 has faced backlash and intense protest from civil society and the world over because of the 'purported' impacts it portends on the environment and the societies in its way. Additionally, the Keystone pipeline initially valued at a total cost of US$ 5.4 billion has been inflated to twice that amount because of the delays arising from the above issues (Enelow, 2014).

It is clear that despite the numerous strategic economic and social benefits that countries and native societies can accrue from pipelines and the oil industry, there are also several other factors that come up, sometimes even of more importance that can hinder such projects. Even in the developed world, like China and the USA, or in countries like Kazakhstan which have been producing oil for a long time, these issues present major challenges to such projects and if not handled aptly, can stall or even lead to cancellation of such projects altogether.

**African Context**

Africa is also home to several oil and gas pipelines that transport the intended hydrocarbons from inland production points to the coasts for shipping off or on rare occasions, to refineries. The issues arising from the construction and maintenance of these pipelines and their related infrastructure on the continent are more intense and as such, these projects wherever they are situated have always faced hostility from the natives.

For example, the Chad-Cameroon pipeline transports crude oil over a 1,070 km distance from the Doba oil fields in southern Chad to a floating storage and offloading (FSO) vessel on the coast of Cameroon. Originally a consortium of Exxon Mobil (40%), Petronas (35%), Chevron (25%) and the host governments' NOCs, the project has been marred with controversy as a result of consistent charges of corruption and diversion of oil funds. Shombong & Nkushi

(2016) also claim that the project construction phase had adverse effects on the communities and the environment. They provide evidence of the degradation of the coastal town of Kribi in Cameroon, highlighting the severe damage done to the coastal reef which has affected the livelihood of people that live in that area, especially fishermen. The oil spills in January 2007 and April 2010 along the pipeline were also reported to have had adverse impact on the aquatic life in the coastal region.

Nigeria is Africa's biggest oil producer and exporter today. The Nembe Creek Trunk Line (NCTL) is a 97km-long pipeline situated in the Niger Delta, intended to carry 150,000 barrels of oil per day. According to Clark & Megan (2014), as a result of the prevailing conditions in Nigeria of wide spread corruption, misuse of public funds and abject poverty especially in the Niger delta, the natives have resorted to oil theft and illegal bunkering along the pipeline. Several rudimentary refineries made by the locals have emerged to satisfy local consumer energy needs. As a result, since its commissioning in 2010, the pipeline has been shut several times to enable the operator, Shell, to plug the theft points along its length. The illegal theft as well as the numerous emergent local refineries in the area have also severely degraded the environment and destroyed the eco-system.

**National Context**

In Uganda, after the Ministry of Energy and Mineral Development (MEMD) announced the discovery of commercially-viable hydrocarbon reserves in the Albertine in 2006, the government has undertaken several strategic manoeuvres to facilitate the smooth exploitation of the oil resource. The East African Crude Oil Pipeline (EACOP) project is a multi-billion dollar project that was agreed upon by the governments of Uganda and Tanzania to facilitate the smooth transportation of the crude from the Albertine region in western Uganda to Tanga port, along the eastern coast of Tanzania. This pipeline is expected to cover an approximate distance of 1,445 km (Patey, 2015). Prior to this agreement, an arrangement existed to have the pipeline pass through Kenya, however, this was later annulled due to concerns of costs as well as insecurity. During the heads-of-state summit in Kampala in 2016, the Ugandan government made official its preference to use the Tanzanian route, abandoning completely the Kenyan option (Katende, 2020).

The EACOP project is expected to cost at least US $3.5 billion at completion. The pipeline will have a diameter of 24 inches and as such is expected to transport 216,000 barrels of oil per day. While at State House in Entebbe on 11$^{th}$ September, 2020, the heads-of-state of Uganda and

Tanzania signed a Host Government Agreement (HGA) with Total SA, highlighting the need for joint efforts between the 2 nations and Total to commence the construction of the pipeline (Uganda Media Centre, 2020). The project will commence in 2021 and is expected to last 36 months. Whereas most writers have focussed their efforts on explaining how Ugandans shall benefit from the oil resource, it is important to note that there is scarcity of published, empirical work that deeply explores the impact that these development projects have had on life in the Albertine, more so the effects of the EACOP project in Kikuube.

## 1.2. Problem Statement

Ideally, such humongous projects like the EACOP in small, developing economies like Uganda are supposed to be a beacon of hope: being the first of its kind, it is expected to bring about several positive socioeconomic changes in the country. However, as preparations for the commencement of this development ripen, already, local media is awash with numerous reports of the devastating effects of the project on the people and their livelihoods. Centre for Citizen Conservation (2020) asserts that the preparatory stages of the project which include land-acquisition are marred with several irregularities that have adversely affected the people in the Albertine area. That notwithstanding, Ogwang & Vanclay (2019) claim that such a project will have several negative impacts on the environment and as such, it will affect sectors such as agriculture, fishing and tourism that are a vital source of livelihood for the people therein. It is important to note that most of the existent literature is mostly journalistic in nature and scanty empirical evidence exists detailing the impact of the project thus far on the local economy. This study therefore intends to fill this gap, focusing on the socioeconomic effects that the project has had thus far on the communities and the environment, as well as detailing the opportunities and threats that the project poses therein.

## 1.3. Objectives of the Study

### 1.3.1. General Objective

- To study the socioeconomic effects of the EACOP project on the livelihood of the people in Kikuube district

### 1.3.2. Specific Objectives

- To assess the effects of the EACOP development activities on the livelihood of people in Kikuube
- To assess the effects of the eventual influx of people in Kikuube
- To study the opportunities and threats arising from the EACOP project in Kikuube

## 1.4. Research Questions

- What are the effects of the EACOP development projects on the livelihood of people in Kikuube?
- What are the effects of the eventual influx of people into Kikuube?
- What opportunities and threats does the EACOP project pose to the livelihood of people in Kikuube?

## 1.5. Scope of the study

### 1.5.1. Geographical scope

The study was conducted in Kikuube district, found in the Albertine region in western Uganda. The study considered respondents from two sub-counties; Buhimba and Kiziranfumbi, which have been most affected by the EACOP project activities.

### 1.5.2. Content scope

The study focussed on discovering and explaining the effects of such activities that have been undertaken during the pre-construction as well as the construction phases of the pipeline in Kikuube. These pre-construction activities include land-acquisition and clearing, construction of roads and instalment of other feeder infrastructure amongst others. Since these oil projects usually attract a large number of people, the study also focussed on explaining the outcomes of such an influx on business and livelihood. Finally, the study also sought to discover the opportunities and threats that the project poses to the local communities in Kikuube. This is because people of Kikuube directly affected by the activities of the pipeline.

### 1.5.3. Time scope

The study looked at the period between 2016 and 2021 which is 5 years and this is the period where all the major deals including the pipeline were signed.

## 1.6. Justification of the study

Following the successful discovery of oil in the Albertine in Uganda, it was envisioned that the country would leverage on the expected huge cash inflows to transform Uganda into a middle-income country by 2030. Most notably, the exploitation of this resource will enable the country to significantly reduce its dependency on foreign aid whilst making Olympian strides in achieving equitable, all-inclusive sustainable economic growth and development. Indeed, the EACOP project, which will transport crude from Hoima to Tanga in Tanzania is one of the

numerous facets of the oil industry intended to enable the achievement of such lofty national dreams. However, even before the commencement of its construction in the Albertine, local communities, civil society and other development stakeholders in Uganda are already crying as a result of its negative impact on life and the environment in the area. It is upon this basis therefore that this study was conducted to identify and ascertain the current socioeconomic effects of the project, as well as establish the perceived threats and opportunities henceforth.

### 1.7. Significance of the study

Uganda has and is still discovering hydrocarbons in its numerous sedimentary basins in the Albertine as well as Karamoja. As a result, several such projects as the EACOP are expected to come up to facilitate the smooth transportation of these hydrocarbons. Since most literature in place covers effects of pipelines in other countries or even continents, some aspects of their results may not be directly relatable to the Ugandan situation. As a result, this study highlights the major effects of the EACOP project in Uganda, giving it a more localised touch of native issues. It will therefore act as a basis for policy makers, researchers and any other category of people that use research in drafting and implementation of policy for the betterment of society.

### 1.8. Conceptual Framework

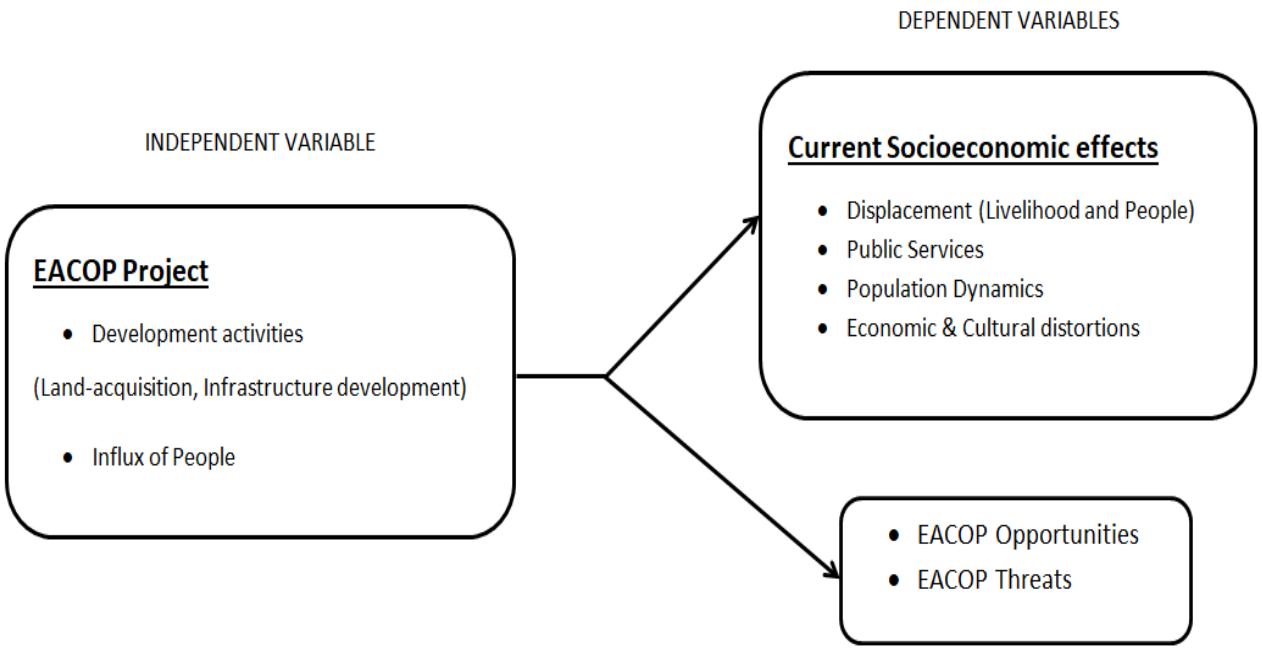

*Fig 1; Conceptual Framework* [Source; Perold (2018)]

The independent variable was the EACOP project and the activities/events that are happening in order to facilitate the smooth construction of the pipeline in the study area. The dependent variables in the study include the socioeconomic effects as a result of the EACOP project as well as the potential threats and opportunities arising from the same. Since the conceptual framework is intended to establish a relationship between the variables and provide a schematic representation of the concepts to be studied, a brief explanation is given for each of the variables.

The development activities that were considered of importance to the study include the acquisition of land as well the construction of several infrastructure such as hotels, roads, electricity transmission and distribution stations and equipment, telecommunications, water and sanitation to mention but a few. This amalgam of both public and private infrastructure is supposed to enable the smooth construction of the pipeline and eventually flow of hydrocarbons to Tanga. Several media and NGO reports have been cited providing evidence for an influx of people in the Albertine. According to UBOS (2016), the population of Kikuube, still a part of Hoima then was 267,455 people in 2014. In 2020, the estimated population of over 350,000 people was reported by UBOS, representing a 5% annual average population growth rate, more than twice the national average. This sudden increase is attributed to a recent migration trend of people seeking better work and life conditions in the oil-rich Albertine.

Since the socioeconomic effects of such a huge project are numerous and may require extended time and considerable financial resources to exhaustively study and assess, the study adopted four main areas to cover; (i) displacement of people and their source of livelihood, (ii) resultant improvements or deteriorations in available public services, (iii) resultant population dynamics and (iv) the different economic and cultural distortions that are a result of mixing of people with different ways of life. The study also sought to discover the perceived threats and opportunities that the local communities feel may result from the EACOP. This is of great importance because it provides a platform on which government and its sister development agencies can design programs that help to assuage local concerns while ensuring structures and systems built are all-inclusive and for the benefit of the many.

## 2. LITERATURE REVIEW

### Introduction

Under this chapter, a critical review was made of the issues that have been explored and studied both theoretically and empirically in the existing literature on the social economic effects of oil and gas development activities on the well-being of communities in developing countries and elsewhere in the World. It was important to note the existing literature in the works of other scholars who have written about the topic of study or those who have addressed similar issues as those of the variable that was available in the study. The literature was comparative in that it was in line with the specific objectives of the study; so as to make the researcher appreciate the contributions of the different researchers and identify the gaps.

### 2.1. The Stakeholder Theory

A stakeholder is a person, group or organization that has interest or concern in an organization, whereby stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community.

Regarding background of stakeholder theory, it was embedded in the management discipline in 1970s and gradually developed by Freeman (1984) incorporating corporate accountability to a broad range of stakeholders. Wheel et al (2002) argued that stakeholder theory is a less formal unified theory and more of a broad research tradition incorporating philosophy, ethics, political theory, economics, law and organisational science. Freeman (1984) holds that stakeholders of a firm can be defined as individuals and constituencies that contribute, either voluntarily and involuntarily to its wealth-creating capacity and activities and who are therefore its potential beneficiaries and/or risk bearers. Sundaram & Inkpen (2004) contend that stakeholder theory attempts to address the group of stakeholder deserving and requiring management's attention whilst Donaldson & Preston (1995) suggest that the firm is a system where there are stakeholders and the purpose of the organisation is to create wealth for its stakeholders.

Stakeholder theorists have tended to devote relatively little attention on defending stakeholder rights, while issues of governance and corporate law have received insufficient attention among advocates of radical departure from the shareholder focused conception and failure of stakeholder theory being viable over time, failing to demonstrate its ability both to achieve the

multiple objectives of the different parties and to distribute the value created in ways that maintain their commitment. It is important to note that stakeholders can make or break a project/corporation or programme. It can be tough to pin them down or describe the depth of the project with them, creating a stakeholder management plan can help them stay better informed.

### 2.2. The Institutional Theory

According to Scott (2001) noted that institutions are 'social structures which have attained a high degree of resilience'. The institutional theory can be decomposed into three core thematic areas: the cultural cognitive, normative and the regulative. These three core thematic areas work in tandem and when combined with appropriate activities and resources, bring about stability and meaning to social life. Institutions operate at various degrees of power, ranging from *the 'world system to localized interpersonal relationships'* and are affected by both periodic and constant change (Scott, 2001). This implies that institutions have the inherent capacity to control and restrain behaviour thus being able to shape actions.

**The Basic Concept of Institution**

Political ecology as a driver for institutions: The concept of Political ecology is defined differently by various scholars (Robbins, 2012; Watt, 2000; Le Billion, 2001) with the term sustaining fundamental changes in the management of nature and rights of people working directly or indirectly with institutions like states or organizations to challenge current conditions. Le Billion (2001) argues that the people face unusual ecological circumstances when they have too much or too little resources, exposing them to high risks of violent conflicts. *Resource scarcity (generally renewable resources) and resource abundance (with respect to non-renewable resources)* all generate strife hence the best mode is to enlist the two angles. The linkage between these two elements puts forward the basic theoretical root for this study.

Political ecology is seen as a measure that seeks to appreciate complex relations between nature and society through observant examination on means of access and control over resources and their implications for environmental welfare and sustainable livelihoods (Watts, 2000). This means that social institutional structures grant valuable controls over resources to avert conflicts that could emerge. Most recent research by Forsyth (2013) shows that previous approaches to political ecology embodied insufficient steps that aimed at separating environmental issues and politics in the environmental plan. This not only causes grave

problems that lead to environmental strategies to inflict undue restrictions on livelihoods of marginalized people; it also heightens conflicts. In comparing political ecology to other rational meaning, Forsyth (2013) identifies political ecology as an *approach to environmental politics that allows the booming integration of political analysis with the formation and dissemination of understanding of ecology reality.*

### 2.3. The Resource Curse theory

The resource curse theory has been advanced and used in several studies to explain the relationship between resource extraction activity and economic growth within several resource-rich countries. Like most primary sectors, the extractives industry has historically been linked to several positive and negative environmental and economic externalities. The theory postulates that resource-rich countries (or regions) are inherently unable to economically grow as fast as non-resource rich ones (Cai & Newth, 2013). In their study, they also show evidence that natural resource windfalls worsen economic development, although several discrepancies exist in terms of the real causes of these negative effects. Some scholars have also considered the resources as more of a blessing, since they produce positive economic outcomes (Aragon & Rud, 2013). They also argue that tracking and addressing the potential causes of the curse are important tasks for national and regional planners that are often required to obtain and draw schematics and plans on how to optimally exploit these resources.

In an extensive review of the theoretical and empirical literature concerning the resource curse paradox, (van der Ploeg, 2011; Fleming *et al.* 2015) analyse and provide evidence of popular hypotheses explaining the channels through which these resources can negatively affect the economic performance of nations, regions or communities. It is important to note that though these channels mainly operate through macro-economic changes, some have distinctive regional or communal consequences beyond their national effects. The ensuing paragraphs briefly describe these channels and the levels at which they operate.

The ‘Dutch-disease’ syndrome postulates that countries with abundant natural resources tend to develop slower than countries with fewer or no natural resources due to over-dependence on the ‘easy’ money accrued from exploitation of these resources. This over-dependence tends to create a quick rise in sectors such as transport and construction, which thrive on the easily available financial capital whereas sectors such as industrialisation and agriculture are minimised, since the country and its people would rather import than produce internally. Inherently, the exchange rate appreciates due to increased value of exports from the resources

bonanza, which produces deindustrialisation and consequently, the 'loss in learning by doing' type of economic growth. The 'learning by doing' type of economic growth is one which is generally driven by know-how and technical skills linked to manufacturing. Both of these phenomena operate at the national level.

The windfall revenues accrued from the export of natural resources often leads to corrupt policies. This is often referred to as rent-seeking where international players in the oil industry provide financial inducements to political actors, who in turn, grant access, extend contracts amongst other things. This corruption often leads to authoritarian regimes as the same individuals who are main beneficiaries of the resources increasingly develop mutual interest in maintaining the status quo. In developing countries, the rule of law deteriorates; the status quo assumes all decision-making authority, which culminates into weak institutions. Additionally, corruption, undermined democracy and weak institutions often create resentment in the general population; sectarianism develops along political, religious or ethnic lines which are usually an antecedent for strife and conflict. The civil wars in Angola, Liberia and Sierra Leone were perpetuated by warring parties trying to stay in control of resource-rich areas. In Nigeria, the long standing war between Boko-Haram and the Federal Government has been as a result of the mismanagement of the oil resources therein (Bainomugisha *et al*. 2006).

In anticipation of the windfall revenues expected from the oil industry, patterns of public spending usually change. Borrowing is usually made easy by the promise of oil and expected revenues thereof. Governments usually spend resources exorbitantly on such projects of infrastructure that would otherwise not be considered without the revenues expected from the natural resources, at times mortgaging the oil revenues for years to come. More so, (Fleming *et al.* 2015) also posits that at the micro-level, the saving culture and work ethic of the natives themselves usually deteriorates, since more cash is at their disposal to quickly improve their lives and solve their problems. Traditional reliance on the fruits of their own hard work and savings becomes increasingly undermined by such expectations as well as the benefits obtained, with such catastrophic results being manifested once the natural resources become depleted.

Finally, the labour demand shock generated by the extractives sector in any country is also considered a resource curse channel as evidenced by (Fleming *et al.* 2015)'s study. It showed that at a regional scale, labour demand shocks usually create smaller and less-diversified economies around the areas of extraction as compared to urban areas. As a result, employment

patterns therein change exogenously, particularly driven by the mining boom or bust patterns that are evidenced globally. Given the high volatility of the global oil-industry, local economic growth will often times be dictated by the prevailing conditions, globally.

One of the commonest arguments against this theory however, is that vast majority of the empirical analyses carried out rely on cross-country models to provide insights into the relationship between resources and economic development. These analyses consequentially, are laden with macro-economic detail and evidence of the local, economic impacts of resource extraction across regions are not measured and represented adequately. Models within countries or regions have been proven to be more robust than cross-country analyses since the unobserved heterogeneity given by institutional, cultural and historical backgrounds across countries is reduced (Marchand, 2012). Similarly, considering within-country analysis allows resource regions to be considered as treatment groups, while regions without resource endowments can be considered as controls, providing natural experimental scenario for impact evaluation. Since this study is conducted within the Albertine region, it examines the conditions particularly within one country, eliminating this bias.

### 2.4. The East African Crude Oil Pipeline in Detail

Following the discovery of commercially-viable crude oil reserves in the Albertine in 2006, the Government of Uganda (GoU) and the oil companies embarked on setting up a commercialisation strategy for the country's hydrocarbon resources. In 2014, these entities entered into a Memorandum of Understanding (MoU) to pursue three commercialisation options, namely; the refinery, a pipeline and petroleum-to-power. This would enable Uganda to tap into the benefits of oil production including security of supply, increased revenues, creation of employment opportunities, massive infrastructural development, to mention but a few. The East African Crude Oil Pipeline (EACOP) is an important project intended to maximise the upstream value of the oil resource. The pipeline will be 24" in diameter and 1,445 km long, with 296 km of it running through 10 districts in Uganda from Hoima to Rakai, along the Uganda-Tanzania border. Its planned capacity stands at a whopping 230,000 barrels of crude oil per day.

The governments of Uganda and Tanzania in a bid to provide the necessary legal framework for the development of such a cross-border infrastructure developed and signed into being the Inter-governmental agreement (IGA) on 26$^{th}$ May, 2017 as well as the Host Government Agreement (HGA) on 11$^{th}$ September, 2020 which provides a framework for the

implementation and management of the pipeline project. EACOP is a special purpose vehicle (SPV) comprising of 3 oil companies: Chinese National Offshore Oil Company (CNOOC), Uganda National Oil Company (UNOC) and Total E&P; the 2 host governments of Uganda and Tanzania as shareholders and other external investors.

The pipeline is expected to have a number of ground installations, including 6 pumping stations with bulk crude heaters and power generators. It will also have 2 pressure reduction stations, 53 block value stations and 23 heating stations. All these installations are considered due to the viscous, waxy nature of Uganda's crude oil. Temperatures of about 50 degrees Celsius are required to keep the oil liquid and flowing. Other special facilities include access roads, booster and compression stations to maintain the pipeline pressure at regular intervals. The pipeline will be buried underground to minimise environmental damage, with some facilities left above ground. The pipeline is expected to cost up to a tune of US $ 3.5 billion.

According to Kitubi; Oil & Gas Journal (26/02/2019), a total of 4,121 people were evicted from their land to give way for the construction of the pipeline. 1,056 were landlords while 2,199 were *bibanja* holders (lawful and *bonafide* tenants) and the rest, 866 were licensees in the 10 districts that traverse the EACOP pathway. Additionally, among the affected infrastructure, a total of 638 graves were destroyed, 16 national roads, 46 district roads and 97 community access roads will all be affected by the pipeline which will most likely pass beneath these roads. Three existing 132 kV and two planned 220 kV power lines will be affected. According to the plan, 20 rivers (two major and 18 minor ones), 8 wetlands and 3 forest reserves will also be affected. A comprehensive Resettlement Action Plan (RAP) study was conducted in consultation and participation of the project affected persons (PAPs) together with the district, sub-county and village leaders.

### 2.5. Effect of land-acquisition activities on socioeconomic fabric of communities

In order to understand issues that relate to eviction, compensation and relocation, there is need to appreciate the links between property ownership, compensation and relocation. When persons are being evicted from their property, they should be compensated and or relocated based on the laws of the country in which it is happening. Denyer (2014) defines property as 'a well-defined and exchangeable bundle of rights with value'. In Uganda, the government can acquire land for public works or use but their owner(s) have to be compensated beforehand. The Land Act (1998) defines public work 'as the construction of railways, roads, canals or airfields; the placing of telegraph lines and electric lines, and the erection of supports for those

lines; the laying of sewer and water pipes; the construction of drains; the prospecting, exploration, mining and extraction of petroleum resources; the construction of dams and hydropower plants; the establishment of hydrogeological, meteorological and water quality stations; the construction of water and sewerage treatment plants, storage reservoirs and pumping stations; and any other works, construction of public buildings and other public institutions declared by statutory instrument to be public works.

Koenig (2001) classifies relocations into two: voluntary or forced. Forced relocation could take the form of development-induced movements perpetuated by for instance construction works, human-induced disasters, socio-political upheaval, conflict, natural disasters. The relocation referred to in this report relates to the construction of an international airport.

**Indemnity theory of compensation**

Green (2014) who is one of the indemnity theorists maintains that compensation should consider 'the whole range of losses to put expropriatees on a similar status as before the expropriation but not worse-off.' Indemnity theorists take into consideration the market value of property to be taken, compensation for severance, disturbances, consolation payments, special value and injurious affection. They argue that the property owners' losses should be considered first. They also go ahead to define the above-mentioned types of compensation. To them, market value is the principal basis of compensation; severance compensation is for loss in value of any remaining property; injurious affection relates to likely depreciation in value of any remaining property because of the works that will be done (Barnes, 2014). Baum et al (2008) says that disturbance compensation is based on financial calculations and includes income and business losses, relocation costs, and transport costs while solatium caters for consolation payments. Keon (2002) defines special value as compensation which considers the owners' sentimental attachments to the property.

Indemnity theorists are behind the concepts of adequate compensation, equivalent compensation, appropriate compensation, commensurate compensation, full compensation, fair compensation, and full indemnity. They argue for prioritisation of not only the market value of property to be taken but also the additional considerations of severance, solatium, injurious affection, disturbances and special value in order to put the owner of the property on a similar status as before the acquisition of his/her property.

**Conceptual theory of relocation**

In explaining relocation and self and self-concept change, Hormuth (1990) maintains that relocation usually constitutes a radical change from one social context and physical setting to another one, thereby providing the opportunity for change. In a new environment, the individual is exposed to new contacts and role models, acquires new behavioural types, and undergoes role transitions. The opportunity to seek out new and different aspects of the self-concept is given. Absolute continuity in the person-environment relationship is impossible. However, continuity in selected aspects can be estimated by the way one's personal environment is created, for instance through furniture or other long-term personal possessions'.

### 2.5.1. How land-acquisition activities impact the rural economy

Oil exploration and development activities are taking place in the Albertine region, in the western arm of the rift valley. This area is generally politically sensitive as it lies in the midst of two rival countries, Uganda and the Democratic Republic of Congo (DRC), with a history of violent conflicts and border disputes. The Albertine region also embraces a multiplicity of local government authorities, traditional institutions and various ethnic groups, which further widens the fragmented status quo in the region. In Uganda where rural livelihoods largely derive from agriculture, careful management of land issues in this area is crucial for ameliorating the livelihood vulnerabilities of rural households. The government of Uganda embarked on a drive to obtain the necessary land to enable the oil companies carry out several oil activities such as exploration, development as well as production.

As a result, displacement of several households due to the related oil-activities is one of the issues that have been cited as a potential source of conflict in the region. Development of the oil refinery and pipeline is expected to displace over 30,000 people from over 29 square kilometres, in the nine villages of Nyahaira, Kyapoloni, Bukona, Kabaketo, Nyamasoga, Katooke, Rugashare, Kitegwa and Kijumba. The oil pipeline as well will displace a similar number of people, passing through nine districts, originating from Hoima district up to the border of Uganda and Tanzania, at Mutukula, in the south. According to (Mugisa, 2016), the on-going road construction activities happening in Hoima district has led to the displacement of households, an influx of migrants and increased rural-urban migration. These displacements, according to (Cernea, 1988) have a profound effect on the individuals as well as the economy, and unless carried out meaningfully, usually cause unsustainable strain on communities where the displaced people have been resettled.

While reflecting on the displacement of people by development projects and their resettlement, (Maldonado, 2012) notes that those who are forcibly displaced by these projects continuously experience intense impoverishment and increased marginalisation in their new settlements. He further states when it comes to impacts of forced displacement, the cause is irreverent, be it development-related, environmental disaster or any cause, the mere relocation of people from one place to another physically distorts people's lives, economically, socially and culturally. It collapses social structure and exposes the displaced to generations of impoverishment and thus notes that taking appropriate action prior, during and after the displacement averts and/or reduces the extent of negative impacts.

Most of the empirical studies available locally are largely 'activist-based' and as a result, a bias exists in reviewing such literature. The Global Rights Alert report in 2017 on the acquisition of land for oil projects tracked the progress in the resettlement of project-affected persons (PAPs) and those who opted for land compensation. Influx of foreigners, withdrawal of children from schools, increased disputes and disintegration of families were some of the impacts of such activity, which has a profound effect on the agro-sector in the study area. Less people as well as households were involved in the cultivation of crops and rearing of livestock, which implies less production due to less land available, less labour and general deprioritisation of the sector in favour for the development of oil-infrastructure.

According to (Downing, 2002), areas affected by displacement in favour of mining development projects are often impoverished, as the main direct effect of such activity if it is not in adherence with internationally accepted standards of resettlement. This is so because such displacement often leaves people without effective livelihood strategies and thus marginalisation. He also reasserts that local community reallocation often provides a fertile ground for the breeding of communicable diseases, ethnic tension and dire situations that are ruinous to the affected person's livelihood. This on top of being a severe infringement on their human rights, deprives them of the opportunity to labour, especially in agro-based societies, which often leads to the decline in agriculture,

According to (Uganda Land Alliance, 2011) report, due to increased oil-activity and the need to secure land to house the oil projects; land grabbing and encroachment issues accounted for the greatest number of land-related problems mentioned at 42%, increased land disputes due to oil discovery accounted for 27% and land fragmentation accounted for 21%. The report further justifies that these problems have had a major, negative impact on the agriculture sector

in the study area. With both the local leaders as well as the natives equipped with scanty knowledge about land- and oil-related laws, the natives report general dissatisfaction in the whole displacement/compensation process since it the inception of the oil industry in Uganda in 2006.

Desmond (2016) studied the trends of evictions in Milwaukee, United States of America and concluded that it is not only a condition of poverty but also a cause. He argued that when one is evicted, one loses not only their house but also livelihoods, social attachments and connections; children leave their schools but that their mental health is also tremendously affected. He goes further to say that women face high depression levels to even two years later. These personal effects of forced evictions on an individual could be relevant in any context including Kikuube where the need for land for the EACOP project has caused the evictions of several persons.

According to Goodin (1989), compensation is a mechanism ensuring that a property owner is given reimbursements in the event that their property is being taken away for public use. This is called compensatory damages for public taking of private property. He further says that gainers have to compensate losers based on governing policies, and that it would be wrong for society to assume that people's property can be taken away at any time as long as they are compensated for their losses.

Kabanga and Mooya (2018) indicate that market value is always the basis for compensation whether for customary or other land tenure systems. They also maintain that market value as the basis for compensation often leads to inadequate compensation and further aggravates impoverishment of the persons affected. To the, construction of public infrastructure requires vast pieces of land which might not be available to governments. Location also matters because the activity for which it is being acquired could be location-specific.

### 2.6. Other socio-economic effects of oil-related projects

Walter (2014) observed that in the experience of his Council (South Taranaki District Council), the main issues of community concern with respect to petroleum activities were "noise, road damage and road safety, visual impact and more noise" with the addition of excessive light at night, vibration, dust, and stock disturbance. A number of approaches were developed and used to minimize these impacts. Local authorities worked to develop uniform approaches to district planning and companies recognized that communication, consultation and consistency of

compensation are vital to community acceptance. The voluntary land access code agreed by Federated Farmers which clarified company and community responsibilities was considered a significant advance (Walter, 2014).

Similar concerns in Walter (1994) have been identified more recently. In a public meeting held by residents in Tikorangi (a rural community in North Taranaki), heavy traffic, falling land values, noise and feelings of helplessness were mentioned by residents on Radio New Zealand in 2013. In addition, there have been some isolated noise issues (Maetzig, 2010), one of which resulted in a number of local members leaving their homes during the construction phase of the Motunui production station (Treaty of Waitangi, 2011).

Community relationships have been enhanced by providing support to community groups and organisations through sponsorships, scholarships and investment (Venture Taranaki, 2010). These can have positive impacts for the Taranaki community. For example, the aquatic centre and the raceway in New Plymouth have been sponsored by Todd Energy while Puke Ariki**,** the regional museum, was sponsored by Shell. Both companies are also major event partners of the annual World of Music, Arts & Dance (WOMAD) International Festival in New Plymouth which encourages and promotes cultural diversity. Similar contributions can be identified for companies from the oil and gas supply chain. In addition to their community investments, the oil and gas industry makes contributions to education programmes in the region.

Hannesson, (2001) discusses the question of making resource wealth permanent, arguing that the best strategy is to invest resource revenues in the highest-returning assets, such as education, health, roads and other infrastructure in developing countries like Ghana. This is however true in the sense that "effective infrastructure supply supports economic growth, enhances quality of life and it is vital for national security" (Baldwin & Dixon, 2008). For it is with the provision of infrastructure that the current and future generations will be happier than with some unknown value of money deposited in a bank overseas from which political elites will be using to enrich themselves. In this season of global financial hardship, one cannot be sure that this amount of money will be available in some years to come when the reserves have dried up.

Sachs & Warner (1995) identified that resource sectors have weak linkages with the rest of the economy because imported inputs and capital-intensive production generate little employment; therefore, the real impact on the overall economy depends on how the wealth is used. The capital intensiveness in exploiting oil in most developing countries has transferred employment

power to the foreign investors who have the necessary capital to invest. This however creates fewer jobs for the local people than is expected. This situation leaves the government share of the revenue as the major tool for greater economic transformation. In this sense, only good management policies will ensure that the nation benefits significantly from the oil discovery.

Sachs and Warner (1995) again argue that oil abundance is a key negative determinant of economic growth. These empirical results are themselves controversial but the point here is to argue that the criterion itself is not sufficient. Lower growth in the long run does not necessarily mean that the oil is a curse. A country can experience a windfall, which raises income and consumption in all periods but does not produce faster growth, and indeed it may even slow growth. Even if growth slows after the windfall, consumption, the usual aggregative measure of welfare, may still remain higher in all periods because disposable income is higher than if the economy had not had a windfall but had grown faster. Thus, the empirical observation referred to above, that resource abundant economies tend to have lower aggregative growth, is not in itself sufficient to demonstrate that oil is a curse.

In Brazil oil exploration activities, construction industry and services contributed similarly to growth, but this was also driven by inter-sectoral shifts to services, a decline in agricultural employment and growth in agricultural productivity. The decline in services-sector productivity suggests movement of some workers into more precarious forms of employment, indicative of a decline in employment quality for those workers. This is the price of oil activities on weaker economic sectors in an area.

While the services sector has clearly played an important role in growth in these countries, the implications for policy depend very much on the quality of jobs that people are moving into within the services sector (Walter et al. 2015). Even if rising average productivity in the services sector suggests that, on average, newer jobs are growth-enhancing and potentially therefore able to provide decent work conditions, the services sector shows a variety of transformation experiences. In all except Thailand, services were the largest contributor to value added growth. South Africa, Mauritius and Chile exhibit large contributions to growth from increases in productivity in that sector, so potentially rising employment quality for those already employed. Rather than services, industry contributed the most to value-added growth in Thailand. Moreover, structural change accounted for half of the country's growth between 1990 and 2012. In fact, Thailand had the greatest absolute change contribution of the structural-transformation component.

In Mauritius and South Africa, the contribution of industrial productivity was also large, but declining employment offset this and reduced the overall contribution of industry. Governments have also relied on fiscal and financial incentives, SME-support programmes, and in some countries on state-owned enterprises and public procurement to encourage investment and employment creation. For example, in Ethiopia, fiscal and financial incentives encourage investments in strategic industries, and policies in support of micro and small enterprises facilitate their (very limited) access to credit (Gebreeyesus, 2013). Similarly, oil exploration in India, together with construction, business services also witnessed the highest rates of employment growth. While the role of business services in the Indian economy is so widely recognized that modern services have been considered the new engine of Indian economic growth (e.g. Dasgupta and Singh, 2005), the highest rates of productivity growth are found in utilities and manufacturing.

Environmental problems are inevitable when oil has to be extracted from the ground. Oil spills, damaged lands, accidents and fires, and incidents of air and water pollution have all been recorded at various times and places (E&P Forum/UNEP, 1997). It is certain this will also be the case in Ghana during the exploration of the oil find. However, proper management practices, technologies and procedures can be used to minimize these effects. The continued coordination among stakeholders such as oil firms, contractors and suppliers is essential to implement the best environmental management practices to accentuate the negative effect that could occur during the exploitation and production of oil. There is also the possibility that human life could be affected as a result of the environmental damage caused by oil production. Humans suffer from environmental consequences through the damage to livestock, farms, and the human body itself. Oil spillage can also interfere with the normal working of power stations and desalination plants that require continuous flow of clean water (E&P Forum/UNEP, 1997).

There is increasing concern about how oil activities impact livelihood patterns touching the social, economic, and cultural elements such as fishing, agriculture, livestock and eco-tourism strategies. Far-reaching effects on people's sources of livelihood vary from founding of short-term employments, loss of land in terms of displacements to changes in the standard of living halting ways people meet the needs for their families (Esuruku, 2013). According to UNDP (2006), oil activities create unrelenting effects like conflicts which are influential factors to poor human development. These stem from land use/ownership or destabilization among communities. Going through Niger delta, UNDP remarks that it is "a *place of frustrated expectations and deep-rooted mistrust"* outcomes derived from overlooked actions related to

oil operations (canalization, oil spills and lack appropriate waste among others) that continue to alter the surroundings on which people rely for subsistence activities. Countless points of view revolve around who is liable for all these harms; but this cannot take away the pain it has caused the people. This provides a complete view of what effects could erupt if mining companies fail to pay attention to the value the environment derives to its society.

Such constructs do not only entail deprivation of one's opportunity to earn a decent living but rather could lead to increased crime rates within the study region represented by anxiety and circumstances of the Uganda's oil extractive region at this time; The case in point is not merely an African problem, comparable examples in South America are justified by Washington AFP (2013) report. The ruin of oil and gas extraction activities in Amazon basin reveals immense ecological degradation and social troubles that continue to affect local people's lives in Ecuador. Presently, Chevron faces a law suit for failure to pay to the Ecuadoran villagers and the local government for the massive environmental damage caused in the Amazon rain forest affecting local people's lives. It is evident that Mineral extraction processes involve unsustainable dealings but there are procedures the oil industry actors can undertake to work towards attaining the values of environmental sustainability.

As Finer et al (2008) exemplifies oil access roads bring on deforestation and related shocks which generate both indirect and direct impacts whose damage cannot be effectively managed. Concern of altering land surface area with activities like drilling and construction in the Albertine fragile area can possibly destroy inhabitant's livelihoods influencing their ability to harvest much from their land. Eman et al (2012) argue that the crude oil always finds its way into the ecosystem through leakages of lakeshore oil refineries and pipelines. Though spills occur inadvertently, this is a basis for severe and extensive damage to marine ecosystems, terrestrial life and human health which are also natural resources.

Kityo (2011) indicates that, Oil exploration activities ought to follow sets of ecological studies, such as strategic environmental assessment, environmental and social Impact assessment studies. However sites where these studies are conducted often lack baseline data needed to back up the assessed impacts from these studies. This hampers the evaluation process of both the direct and indirect ecological effects linked to environment.

WWF (2009) considers Albertine rift of Uganda as Africa's most ecologically diverse area for animal species and has the highest level of endemism (nativeness). This slim stretch of land just 45 km wide runs from the southern tip of Lake Tanganyika to about 30 km above Lake

Albert in Uganda. About 14 per cent of all African reptiles with 175 species, 19 per cent of all African amphibians with 119 species, 35 per cent of all African butterflies with 1300 species, and 39 per cent of all African mammals with 402 species (Plumptre and Cox, 2006). This high biodiversity area is protected through a network of over fifteen National parks and Wildlife reserves; it comprises about 70 per cent of all Uganda's conservation areas. IUCN (2003) refers to biodiversity as complex genes, species, ecosystems and ecological processes that sustain life on earth, providing human society with food, medicine, natural resources, ecological services, and aesthetic benefits. It is a web where ranges of variability among living organisms and the ecological complexes occur and the ways in which they interact with each other and their environment (Ramesh, 2003). Evaluation done using the IUCN Red List criteria shows that 40 per cent of 40,177 species are now listed as threatened with extinction (irreversible) (Sharma, 2003; Gunawardene. et al. 2007). In light of this, the EBI (2003) concludes that the most feasible way to safeguard the ecology is to prevent degradation of habitats.

The first asset type *Human Capital* comprises the Labour market available, the level of education and the health status or environment available (Serrat, 2008). The quality and quantity of human capital in a household directly affects the economic situation of the human group. “Lack of human capital in the form of skills and education, for instance, is seen to affect the ability to secure a livelihood more directly in urban labour markets than in rural areas” (Rakodi, 2002). As stated by Basedau (2005), the oil industry employs mainly high-skilled workers to operate activities such as the running of the off-shore oil platforms and on-shore infrastructure, such as pipelines and refineries. The local population, however, has nurtured exaggerated expectations of employment opportunities. These hopes are likely to be dashed which, in turn, could lead to tensions between communities and oil companies. There could be an exception during the construction phase of the oil infrastructure when short-term employment of the local workforce is undertaken (Waskow & Welch, 2005). The reality to be faced then is in comparison to other industries; the oil industry is predominantly capital-intensive and employs very little labour.

Environmental and health issues related to the extraction of natural resources have been also affecting human capital. A UNEP report published in 2009 points out that both environmental pollution and conflicts caused by the production of raw materials raise the health risks of local population (UNEP, 2009). It is not only the raw material, in this case oil, which can be considered as a source of danger, but in the influx of foreign workforce that Livelihood Assets

"introduced various diseases among the indigenous communities" (UNCTAD, 2007), including HIV/AIDS spread by prostitution, alcohol and drug abuse (Waskow & Welch, 2005).

The ability to generate *Financial Capital* also dependent on wages or proceeds of work and living costs in a household's success in developing a livelihood strategy. In contrast to rural areas where losses in earnings and income are often cushioned by subsistence form of life, monetary income is essential to survival in urban economies. As such, increasing costs of living which is not matched by increasing incomes becomes a burden for most households whose income generating opportunities are limited. Oil production is often accompanied by the influx of high-skilled foreign workers who easily cause increases the demand for certain goods and services. Unmet demand eventually also causes prices to rise. Irrespective of the these increases, income sources often remain unchanged, limiting the ability of local populations with no links to the oil sector to pay for goods that were previously affordable. This implies lower savings and less financial capital accumulation.

The term *Social Capital* embraces all social and community networks as well as the migration of people from one area to the other. It underscores the importance of social interactions and structures amongst individuals and households. The impact of oil development activities on the local social fabric can be incisive. It is believed that the influx of foreign workers has consequences on oil producing regions. Sometimes the social fabric within communities could be shaken through "resentment among those who do not have jobs and the few that do. Further, it is argued that "the men who get jobs on a drilling site often abandon the traditional work and ways of life" and this may become a motive for tension within the local community. Apart from those security threats, the increase of housing and living costs can trigger movements out of the community which destroys existing social networks.

Access to assets in every organized society is determined by the shape of structures and systems that have been put in place. These structures are captured under one umbrella as Policies, Institutions and Processes (PIP). They "influence how, where, when and by whom assets are accessed, used, controlled and decided upon" (FAO, 2008). Interactions of organizations, institutions and individuals are decisively influenced by political processes and this determines the context within which individuals and households construct and adapt livelihood strategies" (DFID, 1999). PIP to a large extent borders on participation, power, authority, governance, laws, policies, public service delivery and social relations which are in turn also controlled by other characteristics such as gender, caste, ethnicity, age and so on". Many people employ ways

and strategies to develop their assets into livelihood outcomes depending on the existing PIP. DFID has outlined some aspects these strategies: "(1) poor people's access to various assets (such as land or labour); (2) the benefits poor people are able to derive from different types of capital (through markets); (3) the environment for private sector investment; (4) the extent to which poor people are able to engage in decision-making processes; and individual and civil society rights".

Local communities agreed that just as oil development and extraction could bring a number of positive benefits; adverse negative impacts on their social and economic setting might also be felt. Numerous problems that would affect the individual, family and community are therefore envisaged if the oil projects come into being. Indeed, the general consensus among communities is that every development activity could result in some undesirable conditions, apart from deformity of the surrounding. This submission tallies with Bridge's (2004) argument that: "aesthetic and physical safety concerns have been progressively supplemented by struggles over the impacts of mining on human health, agricultural productivity, and ecosystem function".

It appears a common theme those oil mining can result in some anti- social activities that are intolerable to the communities. The influx of foreign and non-local migrants to the communities bring banditry, alter local lifestyle, and increase competition for existing natural resources. It has been observed that the communities are usually relatively safe from robbery initially, but worried that mining comes with the threat of petty theft, and assault on mine workers and the local people. Despite the fact that traditional rulers have very limited control over migrants, they are nonetheless unwilling to condone any act of abomination or sacrilege within the community. To buttress this view elsewhere, Gibson & Klinck's (2005) study of indigenous communities in Canada indicates that income earned from oil sands employment has also led to detrimental negative social impacts such as alcoholism and drug abuse. Ijuba-Ijuoshun and Legbogbo communities, however, hold the conviction that any violent crime is likely to be committed by an outsider, and not by a member of the communities. The fear of women regarding promiscuity in the mining industry was given empathy.

### 2.7. Synthesis and gap analysis

This review of the contributions and limitations of existing literature provided a basis for developing the main proposition of the thesis; however some work had already been done. If oil development effects are not well checked, they often result into further damages once

production stage kick starts; there is need to devise approaches that minimize impacts, enhance communication; consultations and consistency of compensation are vital to community acceptance. Oil activity usually induces infrastructural development, mostly focused on roads which lead to economic transformation; this enhances standard of living, creating wealth and jobs. Oil development activities can create a shift in the sectors; this is a price of such activity. Over time localities where these activities abound tend to suffer from lower economic growth as compared to other non-resource rich regions. Therefore the study focused on socioeconomic effects of oil development activities, particularly the EACOP project on the local communities in Kikuube district.

# 3. METHODOLOGY/METHODS

## Introduction

This chapter focuses on the presentation of the methods that the investigator employed when conducting the study. It describes the research design that was adopted, the study area and characteristics features such as population and samples considered. It also discusses the data sources and collection methods used, the data analysis process as well as the limitations and the ethical considerations that affected the study.

### 3.1. Research Design

According to Wyk (2012), the research design relays an important plan that links the conceptual research problems to the pertinent and achievable empirical research. As a result, the case-study design was adopted for this research activity: it incorporated qualitative methods of data collection and analysis. Creswell (1998) defines a case-study as a research activity that attempts to examine and understand a system that is bounded by time and place. According to Reboli (2013), a case-study of Kikuube district will enable the researcher to obtain a detailed analysis of the socioeconomic effects of the EACOP project, as well as its potential opportunities and threats.

### 3.2. Study Area

The study activity was conducted in Kikuube district. This area was earmarked because it is where the EACOP project commences, it is also bustling with oil development activities, and especially those intended to facilitate the smooth construction of the pipeline. It has also witnessed a huge influx of people into the area looking for greener pastures.

### 3.3. Target Population

According to Wikipedia (2020), the rural population of Kikuube is approximately 321,036 people (UBOS estimates) with over 31,300 households. The household was considered the unit of interest in the study because in Uganda, it forms the basic unit of sharing resources such as food, land etc. In this study, a household means a group of people living together in the same shelter, similar to a family. As a result, this small group of people usually direct their labour on the environment (earth) to sustain life and sell the surplus; eg farmers, fishermen etc. This makes the household important since it is most affected by the EACOP project rather than on an individual basis.

The study also targeted a special population of 10 district and sub-county leaders to obtain extra knowledge, especially at the policy implementation level on the effects of the EACOP project in the area.

## 3.4. Sampling

### 3.4.1. Sample Size

Karania (2017) recommends that for focus group-based studies, the participants in each sitting should not exceed ten (10). This study therefore considered three focus groups each comprising of ten respondents. These were obtained with the help of the Kiziranfumbi and Buhimba sub-county chiefs from over 15 villages that make up the initial routes of the EACOP.

Additionally, 10 local leaders from the district (02), sub-county (04) and parish (04) levels were interviewed as well to obtain a perspective from the policy implementation level.

### 3.4.2. Sampling Technique

The study employed both random and non-random methods of sampling to gather the necessary data. The cluster random sampling technique was employed to obtain respondents around the specific areas that have been most affected by the EACOP project activities. In these clusters, due to the size of the study area as well as the financial and time limitations, the investigator used convenience sampling where the most accessible and willing respondents from these villages were selected. At least one respondent was obtained from each of the 15 villages considered in the study.

The study also employed purposive sampling which deliberately targeted local leaders at the district, sub-county and parish levels to obtain relevant information concerning the study parameters.

## 3.5. Data Collection Methods and Instruments

### 3.5.1. Secondary Data Sources

The secondary data used in this report was obtained from textbooks, journal articles, newspapers, previous dissertations, reports as well as other documentation from the internet concerning the variables in the study.

### 3.5.2. Primary Data Sources

The primary data that has been used in the study report was collected from the respective respondents and, recorded in the interview guides. This data equipped the researcher with first-hand information from the respondents about the study parameters.

#### 3.5.3. Interview Guides

During face-to-face interaction with selected respondents, the researcher used semi-structured interview guides with open-ended questions to obtain valuable information, especially concerning the attitudes and perceptions that the leaders have towards the interaction of the study variables.

#### 3.5.4. Voice Recorder

During the focus group discussions, cassette voice recorders were used to record most of the interactions and discussions between the participants. Voice recording was used since the researcher was unable to write down everything that was being spoken during the group discussions.

### 3.6. Data Quality Control

#### 3.6.1. Reliability

This test intends to determine the degree to which an assessment instrument produces stable and consistent results under varied conditions (Sekaran, 2003). Similarly, the reliability of a measure indicates the extent to which there is no bias and hence ensures consistency measurement across time and various items in the instrument (Nunnally, 1978). To ensure the reliability of the data, the researcher determined the sources and the time in which it was collected. Since this data was collected from leaders that have served for a long time, and community members whose lives have been impacted by the events and processes and witnessed the proceedings in the study area, the data collected was considered valid and reliable to be used in the study.

### 3.7. Data Analysis

Raw data was obtained and compiled from the interview guides and voice recordings that were received from the respondents in the area of study, and written down on new documents. These documents were then crosschecked for completeness and, the rest of the data was coded, interpreted, and analysed. While carrying out data analysis, the researcher used the Colaizzi

framework to organise the data into different themes and come up with an analysis of the different meanings of the information pertaining the study variables (Shosha, 2010).

After the data had been analysed, it was then be discussed. This process involved the interpretation and presentation of the findings through narration in accordance with the objectives of the research. The findings are presented first as the main study themes and then followed by the views in relation to the findings. This was done co-currently in order to remain on track.

### 3.8. Ethical Considerations

Before and during the research study, the researcher exhibited discipline and maintain an acceptable level of ethical behaviour when collecting data from the several respondents. The following was done to ensure that the exercise is acceptable and does not interfere with or bring about any contentious issues in the study area;

The researcher initially obtained an introductory letter and permission in form of a stamped letter from both the academic registrar at the Institute of Petroleum Studies as well as from the sub-county chief respectively due to the sensitivity of the topic under investigation to help inform the respondents about the identity as well as intentions of the researcher and the study activity.

The researcher also first obtained permission from the respondents before conducting the interviews; they were informed about the researcher's intentions and no false promises of any rewards were made in exchange for the information given. No coercion was used to solicit information from any the respondents.

Finally, the researcher treated all the personal information collected with utmost confidentiality and respect during the submission and discussion of results.

### 3.9. Reliability and validity

To limit threats to the credibility and enhance consistence of variables of the study in agreement with set measurements; the researcher adopted the use of standard questionnaires tied to the Likert scale. Respondents were given at least 11 days to fill the questionnaires, the researcher also offered to collect them therefore ensuring that the respondents were not stressed by the research tools. Secondly, each respondent that filled in the questionnaire was given an

opportunity to supplement his/her responses in the questionnaire with a telephone interview immediately after collecting the questionnaires.

Jenson, 2003:2) & (AERA et al, 1999:184) refers to validity as the degree and ability of a research instrument to measure what it is actually intended to measure, the study carefully selected respondents from relevant fields and in addition, assigned them standard questionnaires. Even the telephone interviews followed a structured trend and only one question demanding for the respondent's opinion on the competitiveness of upstream taxation of oil and gas activities in Uganda was put to all interviewed respondents. The interview was limited to only those that had filled and returned their questionnaires to ensure consistency and information flow. To enhance rigour, the researcher consulted two experts one in each of qualitative and quantitative analysis.

**3.9.10. Limitations to the Study**

Given the financial and time constraints of the researcher and the nature of the study, the data collection instrument has not been designed to exhaustively question and measure the variables involved in the study. This was solved by relying on distributing questionnaires other than going to each person.

Given the high illiteracy levels in the study area (Uganda Bureau of Statistics, 2016), with over 83.95% of the population having stopped at primary level and below, the researcher encountered a language-barrier problem since he is not also conversant with the local dialect and this problem was solved by getting an interpreter.

# 4. PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

## Introduction

This chapter presents the findings from the data collection exercise, an analysis and interpretation of the findings. It provides an assessment of the effects of the EACOP development activities on the livelihood of the communities in Kikuube district, particularly the sub-counties of Kiziranfumbi and Buhimba. Data obtained from the interview guides and voice recordings was analysed using the Colaizzi framework, guided by the different research themes. It discusses issues such as the ethnic groups in the area, main economic activities, EACOP project activities and how they have affected people and their economic activities as well as the threats and opportunities that the project poses.

## 4.1. Background Data

### 4.1.1. Gender Distribution

Of the 30 respondents that participated in the focus group discussions, 11 were female (37 per cent) and 19 were male (63 per cent). The investigator also engaged 3 females out of 10 respondents (30 per cent) who were at the district and sub-county levels of leadership. Additionally, some respondents asserted that this was so because men felt the effects of the oil activities more severely and hence had more experience to discuss them than their female counterparts.

Since the study employed group discussions as a method of data collection, the ages of the study participants and marital statuses were not incorporated in the study.

### 4.1.2. Period of Stay in Kikuube

According to the interview items, it was discovered that the highest percentage of respondents, 70 per cent, had stayed in Kikuube for over 6 years now whereas 23.3 per cent had lasted between 3 to 6 years in the area. A meagre 6.7 per cent of the respondents had only stayed in Kikuube for less than 3 years. This parameter is of great concern since it implies that most of the respondents have been living in the area long enough, to witness the long-standing impact of the oil-development activities therein.

### 4.1.3. Ethnic groups in Kikuube

According to the study participants, there are over 20 different tribes from which the people living in the study area hail. These tribes include the Alur, Abamba, Baganda, Basoga, Bagisu, Madi, Acholi, Bakungu, Bakonjo, Jopadhola, Lugbara, Bakiga, Banyankole, Banyoro, Rwandese, Bafumbira, from Uganda. The area is also inhabited by people from some of the tribes from the neighbouring Congo such as the Lendu, Kebu, Bagerere etc. The Banyoro followed by the Bakiga are the most prominent groups in the area. Lunyoro is also the most widely spoken language in the study area.

It was necessary to document the ethnic composition of the study population because it has significant bearing on the socioeconomic practices in the area. The presence of considerably large groups from Zaire and Sudan is also evidence of not only internal migration, but also crossing of borders of different people, presumably to partake of the lucrative economic opportunities that the oil sector offers. This supports findings by Zziwa *et. al.,* (2014) who attest of an influx of several groups of people into the area.

### 4.1.4. Main Economic Activities in Kikuube

The study respondents also noted that the main economic activity in the area is farming, both crop and animal husbandry. It should be noted however that despite the low levels of rainfall received in the area annually, cultivation is still widely practiced due to good soils present. The main food crops grown include bananas, maize, cassava, sweet and irish potatoes, sorghum, millet, rice, yams, beans, cabbages, soya bean, groundnuts, onions, *simsim*, tomatoes, cow and pigeon peas. It was reported that these are mainly grown on small-scale for subsistence since the land available has been severely fragmented. Some of the commercial crops grown in the area include watermelons, cotton, tea, coffee, sugarcane, oranges, mangoes, pineapples and tobacco. The most common livestock reared include cattle, pigs, sheep, goats, chicken, ducks, and turkeys. Suffice to note, the conditions in the area have deteriorated and can scarcely favour livestock farming. Fishing is also practiced at the shores of Lake Albert.

There exist several oil and gas development projects in the area, aside from the EACOP project. Part of the land earmarked for the East African Refinery project which has been steered by Total E&P and the entire petrochemical industrial park is located in Kikuube district. As such, several studies and assessments are underway as well as mass sensitization to align the local communities with the development process in the area. Several oil wells in the Mpuuta-Nzizi oil field have been drilled and sealed, awaiting commissioning and production. Respondents also reported some activity by Enviro-Serve, whose mandate it is to ensure proper management

of all waste produced by oil activity and to preserve the fragile ecosystem in the area. Several oil rods have been commissioned in the area with the bulk of them nearing completion; the most prominent one is the Kiziranfumbi-Kabwoya-Kabaale road.

Other projects in place include several sensitization and training campaigns by institutions such as the Petroleum Authority of Uganda (PAU), the Ministry of Energy and Mineral Development (MEMD) and other Non-Governmental Organisations that are trying to prepare the people for the oil industry. HOGACHA is a program funded by the World Bank in Kikuube and Hoima that trains and skills the natives, especially the youth, for employment and entrepreneurship, delivers lessons on financial literacy and human (especially children) rights. New Plan, the contractor in charge of construction of the pipeline has also been involved in several Corporate Social Responsibility (CSR) projects as a way of giving back to the community. It has built several boreholes to deliver clean water to the natives, provided computers to secondary schools to increase IT literacy levels in the area, constructed toilets and latrines, and distributed seedlings to the local farmers.

### 4.2. Objective One; To assess the effects of the EACOP development activities on the livelihood of people in Kikuube.

The local leaders interviewed and the focus group participants ascertain in unison that the most prominent effect of oil activities in the Albertine has been the displacement of people and their economic activities. Since land and labour are still some of the most important factors of production in low-developed countries. The derivation of a certain livelihood and the sustenance of a robust rural economy in most cases is closely linked to the land use patterns and the specialty of the labour force in the area. Most of the respondents ascertain that majority of the project affected persons (PAPs) were farmers and thus derived their livelihood from either livestock rearing or cultivation.

Given the customary land tenure system that is widely practiced in the area, most families in the area do not possess nor see the need of having a land title. This reluctance has been further exacerbated by the tedious, bureaucratic process one has to undergo to obtain a land title. As a result, the land-acquisition process has been marred by a galore of allegations of bribery, land conflicts and theft as well as corruption. The compensation process is reported to have been faster than the relocation where houses had to be built initially for the PAP's and new pieces of land acquired and allocated to them. It is important to discuss the land-acquisition process since it had over-bearing effects on the people in these communities.

The study was conducted in a period when complaints in the Kikuube RDC's office were plenty concerning the amount of compensation packages offered to land owners in the area. Most respondents reported that they were unfairly compensated for their land since the valuation had been conducted and it had taken at least 3 years for them to receive their packages. They intimated that it is not possible in Uganda today to buy the same piece of land at the same price after three years and as such, they demanded that government critically reconsider this oversight and increase on their packages. Tension is rife in the area as more households report that they are now incapable of taking care of their basic needs as a result of displacement and the fact that land in the Albertine has risen in value which implies that their compensation packages could not afford them descent land and a better life elsewhere.

Two outstanding issues were raised, and said to have affected the sustainability of livelihood of the compensated persons, these are; the inadequate and haphazardly done sensitization on financial management, and how to invest their packages in order to ensure sustenance of their livelihoods and households. This was said to have resulted in most people squandering their money on lavish lifestyles and alcohol consumption which left them worse off than before. Most respondents also decried the utter discrimination of women in the negotiations and payment of the compensation packages because only family heads were considered and yet most of them were men. These two issues were reported to have had negative effects on agricultural activity in the area because people did not only lose their farmland but also squandered money which could have been used to re-invest in agriculture and any other activities through purchase of land in their new places of abode, and buying of inputs.

With the displacement of farmers and the resultant reduction in arable land, there has been a decline in agriculture in the sub-counties of Kiziranfumbi and Buhimba. These study findings are in accordance with the principles of the Frontier model of Agricultural growth which are hinged on increasing acreage as a basis of increased agricultural production. In fact, Delgado, Hopkins & Kelly (1998) postulate that in low-developed economies with low levels of technology, the level of agricultural production is mainly dependant on the land area being cultivated; this implies that a reduction in land area as witnessed in Kikuube has significantly reduced agricultural production in the area.

In addition to displacement, the local residents also reported a general disregard of local economic activities by government, especially agriculture ever since the discovery of oil in the region. They decry the gradual cuts in support in terms of logistics and inputs, as well as

extension services that were initially offered to the communities. In fact, most responses highlighted that most of the services provided today are mostly from CSR of the oil companies as well as NGO's that operate in the area. These services include public sensitization, provision of inputs such as seedlings, fertilizers etc. These findings are in agreement with Fleming *et. al.* (2015) who postulate that a subnational resource curse can emerge in regions surrounding the extractives industries, despite numerous nationwide, macro-economic gains from the same. Cognizant of the need for increased investments in infrastructure and technology to expedite and enable the smooth extraction of the natural resource, they noted that countries usually deprioritise other sectors such as manufacturing and agriculture. In the case of Kikuube, livestock rearing has been most affected by this deprioritisation.

The displacement pattern and shift in economic activities has also been exacerbated by movement of people from rural to semi-urban and urban areas looking for gainful employment. The respondents reported that this has been most prevalent amongst the youths that go out in search of jobs. Some have been employed in several oil projects in the area as drivers, turn men, mechanics, on-site traffic officers, porters, masons, store keepers, security officers to mention but a few. This is in direct relation with the study results of Fleming *et. al.,* (2015) who concerning the Resource-curse theory noted that there is always a shift in employment patterns and labour demands in extractives areas. Since the incentives to engage in indigenous activities reduce, people desert such activities as agriculture in favour of the more lucrative, easier jobs like business that are spill-overs from having oil in the region (Aroca & Atienza, 2011).

The local residents as well as their leaders at the sub-county and parish levels also attested to the displacement of communal infrastructure, prevalently, primary schools, wells and boreholes, small markets and access roads. Despite promises of compensation or relocation of the wells, markets and small roads from government authorities, nothing has been done to-date according to the study respondents. As a result, some parents reported that their children had stopped going to school before the coming of COVID-19 restrictions as they had to walk long distances. Some farmers have been unable to transport their produce to markets, both within and even outside the study area, as it used to be. Some roads were blocked off whereas others were completely wiped off the face of the earth invariably altering the traffic patterns of the affected communities. Travel costs and time have since increased as people have to traverse longer, more inaccessible routes to reach the same destination. This has severely reduced the incentives to engage in agriculture or any other kind of industry that existed before.

In some instances, in Kiziranfumbi, in a village like Kikorogota, the respondents also reported that infrastructure such as the *murram* roads being put in place have had several positive externalities on activities in the area. With the coming of these roads, they reported that the market and prices for their commodities had gone up, that they could easily access inputs or even other services like health care and education for their children. They reported an improvement in small businesses since more people were attracted into the area, and with more reliable electricity and water facilities, new businesses like small restaurants, lodges, bars and entertainment centres have also come up. However, they decried the new unfavourable conditions for livestock rearing and human life that abound in the area. Due to the numerous clearing and construction activities in the area, pollution is on the rise as well. Air pollution by agents such as fugitive dust (produced by pulverisation and abrasion of surfaces as a result of application of mechanical forces during construction activities) and combustion fumes such as carbon dioxide, carbon monoxide, sulphur dioxide etc have predominantly worsened the local air quality. This has been worsened by the ever decreasing cover of forest trees in the area. Field & Field (2017) showed that these gases have adverse respiratory effects on both humans and animals that live in areas rich in such pollutant gases.

In addition to air pollution, noise pollution is also on the rise from drilling activities, concrete mixers and dump trucks that pervade the area more frequently these days. Increased noise levels are reported to cause sleep disturbance, anger, powerlessness and frustration amongst humans; the effects on animals have not yet been studied or documented.

In conclusion, Nonetheless, this combination of pollutants has negatively affected human life and adversely reduced the habitability of the study area towards domestic animals such as cows, goats and sheep.

### 4.3. Objective Two; To assess the effects of the eventual influx of people in Kikuube.

The respondents reported that immigration of people into the Albertine region of Uganda has been accelerated by the discovery of hydrocarbon deposits in the area. According to existing literature (Omofonmwan & Odia, 2009: EPRC, 2015 and Baumgartner, 2016), there exists a relationship between oil activities in an area and eventual influx of people therein. These scholars assert that the main reason people move to oil-rich regions in anticipation of new work and business opportunities that portend greater benefits than what they have been earning initially

. Additionally, they also state that the government and other development partners usually refocus energies and investments in these regions, constructing several roads and other physical infrastructure, installing electricity, enabling a thriving business community, all of which spells out better living and working conditions than before which is bound to attract people into the area. Finally, since the Albertine borders with the eastern DRC region which is highly insecure and underdeveloped, the respondents reported that Congolese nationals are leaving their home country in search of peace and better living conditions. Several other groups of conflict and climate refugees are also found in the area. As such, the exponential population growth in the area has been explained by the above three factors. The effects that were discovered were categorised into two groups, economic as well as sociocultural.

The respondents reported that the most profound economic distortion presented by huge influx of people in the area was the shift from the main economic activity of agriculture to other sectors such as trade-business, tourism, fishing and many others. It was reported that the level of agricultural practice in the region had gone down as a result of deprioritisation of the sector by government and new unfavourable conditions as a result of the numerous construction activities which all serve to reduce the incentives of engaging in farming. Markets have been replaced by small towns with booming trade business and most farmers now grow food for survival as a result of less labour, less land available, reduced supply of inputs as well as extension services from the government.

This influx of people has also affected the fishing industry in that too many people are now on the lake, depleting the available stock of fish much faster than before. Fish have as a result dwindled and despite the presence of the UPDF Marines Unit in the area, over fishing is still practiced on the lake.

The local leaders especially the sub-county and parish chiefs decried the increasing fragmentation of land in the area as a result of increased population densities. Land fragmentation, especially in areas with low levels of technology is known to over strain the land resources available, reducing the fertility of soils and as such, its general productivity. Overgrazing has also been reported as one of the resultant effects of this extensive land fragmentation. Communal resources such as boreholes and other such local water infrastructure have been damaged or destroyed as a result of the overuse since planning authorities always set up such structures in anticipation that they will serve a specific population density for a given time frame. This is in unison with the principle of the Political Ecology (Watts, 2000)

which asserts that strife will always arise out of conditions of resource scarcity, which at times culminates into conflict.

This immigration trend also portends far greater dangers concerning the delivery of social services to the people of Kikuube. During the focus group discussions, most respondents argued that it was far easier before for one to obtain medical services since the health facilities were never over crowded. Since the majority of the people in the study are low-income earners, it was reported that most of them depend on government health services for their survival and that of their households. They cannot afford private treatment.

They reported that this has been extra challenging during the COVID-19 pandemic period since health centres and government hospitals are always crowded with sick people. "*The doctors and nurses are ever tired and stressed which implies less efficiency at work, grumpy moods and at times, even desertion",* reported one of the respondents.

The district leaders also reported that there was extensive encroachment on the Kiziranfumbi and Kabwoya forest reserves as a result of people looking for land for settlement and where to practice their economic activities. Whereas the respondents couldn't ascertain the actual land area that had been encroached upon, they noted that the vice was spreading, even including the some influential people in the district who bribe to acquire such virgin land. Deforestation has been on the rise in the area with trees and other vegetation being cleared to construct roads, set up refugee camps as well as sugarcane plantations, which is a thriving activity therein.

It was reported that the effects of such mass clearing of these forest reserves have had far-reaching effects on species biodiversity of both flora and fauna which affects tourism in the area. It should also be noted however, that tourism has been adversely affected by the global COVID-19 pandemic.

On a positive note, several respondents also reported that there had been some economic benefits accrued from the new residents and the bulging population in the area. It was noted that business activity in the area was on the rise and highly beneficial. Several small towns and trading centres have sprouted up and as a result, some of the youth in the area are able to acquire meaningful work in saloons, shops, bars and lodges, to mention but a few. Despite the lockdowns and restrictions in movements, the respondents noted that the oil company workers and several other groups of well-off people in the area have supported the thriving business communities, especially in the services sector.

Prices of commodities therein have been relatively stable. Better roads mean greater permeability and as such, even some farmers have been able to transport their produce to towns or along the roads for travellers to buy them. The respondents confirmed that despite the slow progress, most villagers were now one way or another, engaged in the money economy. Fishermen have also enjoyed some success despite issues of overfishing and unsustainability, since fish is very expensive.

The sociocultural perspective on the other hand intended to uncover the distortions in the communities and how the individuals therein behave towards their surroundings and each other as a result of such unprecedented population growth. Perhaps the most prominent effect of this influx has been cultural amalgamation, which refers to the blending together of different cultures and peoples, rather than having one group eliminating the other (acculturation) or one group totally getting dissolved into another (assimilation).

The respondents reported that despite the dominance of Lunyoro and Rukiga languages in the region, other languages are also being used, and as such, intercommunication is possible, even when one does not speak Lunyoro. Other evidence for this blending was most visible in agriculture, where the Bahima have influenced other peoples to engage in cattle rearing as opposed to just cultivation farming.

The local leaders, especially at the sub-county level also decry the alarming rate of land grabbing and the numerous land conflicts that now abound in the area as a result of the oil and gas activities in their areas of domain. They unanimously agreed that before oil was discovered in the region, land conflicts were rare and often got settled amicably and quiet fast. Since the oil activities started, and the locals realised that land is needed for such projects, their expectations have enormously grown, speculation has increased and land grabbers have also increased. One of the chiefs indeed reported that their office receives at least 3 reports of land cases every week, which are complex; requiring a lot of time and efforts to resolve.

Another salient issue that was raised during the side discussions held with few female respondents after the focus group discussions was the blatant disregard of the women during the compensation and relocation community engagement meetings with the project affected persons in the area. Most of them intimated that despite men being household heads, their contributions at home towards feeding and education of their children are minimal. They reported that women are the ones that do most of the domestic chores, the farming as well as

selling of the agricultural produce to obtain an income. Most men are unemployed and spend their days lousing in town centres and drinking.

They intimated that this disregard has left many women frustrated; since most men that got the compensation packages misused them through gambling, drinking sprees and even marrying new wives. As such, the plight of women and their children has further deteriorated since they no longer have the land on which they used to work to earn even a decent meal for their families.

There has also been wide spread severance of family ties. This is especially true for extended families that initially lived together in similar villages, but had now been separated by the compensation and relocation activities in the area. The bulk of the compensated victims were forced to move elsewhere, buy land or start-up small businesses in small towns or the municipalities whereas the families that were relocated were taken to Kyapaloni camp, further separating people from their families and ancestral backgrounds. One of the respondents intimated that once you're resettled, your new life is not dissimilar to that of a refugee.

In addition to losing family, you and your family members also lose valuable friendships and are forced to interact with strangers who at times have different cultures and behaviours within the resettlement camps. However, one of the respondents (during a one-on-one interview) who is a beneficiary of the relocation process stated that her new house is much better than the grass-thatched mud house in which she used to live. She stated that her new house has three bedrooms, a sitting room and a modern latrine outside. She said her life is much better and safer (from night thieves and fires), and she has planted a maize garden in the land she was allocated from which she expects enough money to cater for other household needs.

The influx of people into the Albertine, particularly in Kikuube district spells new security concerns and threats for the area according to reports from both the leaders and local residents that were involved in the study. When asked about concerns regarding the foreign groups from Congo and a small minority that had come from Rwanda, the local residents retorted that these posed the most danger to the peace and security therein. The other prominent source of conflict in the area is land. Families have been torn asunder by land conflicts ever since the land-acquisition process gained traction in the region. Finally, some respondents intimated that some workers that belong to the oil companies and other big organisations operating in the area had gotten into the habit of swaying local girls and women with cash advances and promises of lavish lifestyles which roused uproar from concerned elders in the community.

In conclusion, due to wide spread unemployment and income inequality that exists in the region, despite massive investments being made therein, the respondents reported that there has been massive cultural erosion in Kikuube. Crimes such as theft, murder and armed robbery have been increasing in the area, mostly due to youth unemployment. Additionally, such vices as prostitution are on the rise as a result of increased bar and lodges which gives the perpetrators of such acts a business location. HIV/AIDS prevalence in the area has also been recorded to be on the rise. The respondents also reported that alcohol and drug abuse are on the rise, domestic violence is more pronounced, early pregnancies have increased and as such, more children are running away from their homes. This condition has been exacerbated by the COVID-19 scourge and the resultant restrictions and lockdown.

### 4.4. Objective Three; To study the opportunities and threats arising from the EACOP project in Kikuube.

In the study, a socioeconomic opportunity was construed as a favourable circumstance or a combination of events that arises within an area which makes it possible for someone or even many people to do something gainful in life. On the other hand, a socioeconomic threat was similarly defined as an event or a combination of these that poses risk of damage, destruction or hostile action within a community. The oil and gas industry has capability to generate significant opportunities in sectors such as education, employment, services, infrastructure development to mention but a few. However, it also possesses serious potential to damage the environment and stifle rural economic activities like agriculture and fishing. In this study activity, the respondents were given an opportunity to voice out their opinions on how the oil sector will affect their communities, lives and sources of livelihood. This section presents the findings.

Perhaps the greatest opportunity that the oil sector presents to Ugandans is the improvement and skilling of the human resource to handle complex technological machines and systems. Already, several training institutions exist in Uganda today that offer internationally accredited programs which impart necessary skills if one is to work in the oil and gas sector. Several respondents affirmed that they knew people or even had some relatives that were attending institutes such as the Uganda Petroleum Institute Kigumba (UPIK) in Kiryandongo and Sunmaker in Kampala where students are given technical skills like welding, pipe fitting, plumbing, scaffolding etc. These skills are not only relevant in the petroleum industry but can also be applied in manufacturing and construction. Other respondents also asserted that some

of their relatives had undertaken bachelor studies at Makerere University where several petroleum-related courses are offered.

Additionally, it was reported that through several Corporate Social Responsibility (CSR) programs, oil companies like Tullow and Total E&P have built new schools (which were initially displaced by the pipeline and refinery projects) or refurbished old ones, restocking their libraries as well IT departments. Kyehoro and Kaiso Primary schools have been beneficiaries of the above projects by Tullow, acquiring new infrastructure such as classroom blocks for 21 classrooms, staff quarters, safe water and sanitation facilities, furniture and textbooks. CNOOC on the other hand has implemented initiatives to promote education including the Best Performers Awards for PLE, UCE and UACE students which program has so far registered over 330 beneficiaries. Total has also implemented a similar program in the region which enables top performers to pursue university education both locally and in France.

The emphasis on skilling and training of Ugandans to acquire internationally accredited certifications is pertinent to ensuring sustainable and inclusive human resource development in the region and the country at large. All the above education and reskilling initiatives are indicative of the massive potential and benefits that accrue from the oil and gas industry, keeping in mind that these skills and the acquired knowledge can also be employed in other sectors such as construction, manufacturing and minerals mining once the petroleum resources have been depleted.

The issue of education and skilling of Ugandans goes hand-in-hand with that of local content and employment opportunities in regards to the petroleum sector. Local content can be defined as the quantum of composite value that is added or created in a given economy through utilisation of its resources and services in the petroleum industry, resulting into the development of indigenous capability without compromising quality, health, safety and the environment standards (Kamurasi, Oil & Gas Journal; 30/01/2018). The Uganda National Content Policy 2008 seeks to maximise indigenous participation in the sector. Additionally, the Local Content Regulations in Uganda were enacted in 2016 and they lay out the guidelines for local content inclusion of all qualified people and companies that intend to participate in the sector. Most prominent amongst their provisions is the fact that companies within the sector must have their workforce comprising about 70 per cent Ugandans. They also go ahead to ring fence several activities that must be 100 per cent conducted by Ugandans or Ugandan business entities.

World over, provisions for and enforcement of local content regulations have produced massive benefits for producing countries such as Nigeria, Brazil, Norway, Canada, Trinidad and Tobago, Russia. Local content as a vehicle, if used effectively, can spur economic growth and quickly help a country realise massive, more-inclusive benefits from the petroleum sector. On that note, the respondents reported that the sector had created several direct and indirect employment opportunities for the locals. Local people were hired during the collection of data in the impact assessments and with several Ugandans undertaking several study and skilling programs in the aforementioned institutes

The study participants were optimistic that these would also be included in the construction of the pipeline. Several people have also been employed indirectly such as those working on the oil roads which are meant to facilitate smooth transportation of oil equipment and people within the area. Other respondents who had their children or relatives doing courses in engineering-related disciplines such as electrical, mechanical or civil were also positive that they would gain employment in the industry once they finish school.

The most prominent and visible effect of oil activity in Kikuube and perhaps the entire Albertine region has been the improvement of physical infrastructure which is meant to facilitate oil production. The respondents unanimously reported that the new oil roads had improved life and transport in the area. People can now travel faster and cheaper to markets to buy or sell their goods, there are more opportunities in the transport sector, costs of vehicle maintenance have reduced and damage/destruction of goods when traveling has also reduced. Since the district is blessed with several forests and forest reserves, lake Albert and a game reserve teeming with numerous wildlife, the good road network had also increased the influx of tourists in the area before the onset of COVID-19. The increased availability and reliability of electricity in Kikuube has also favoured businesses and improved standards of living. Other infrastructures that have improved include water and sanitation facilities, hospitals and health centres, schools and markets. The respondents reasserted that with continuous improvement of such public amenities, business and life in general are bound to improve in the region.

It was also noted that the EACOP project poses several opportunities for several businesses in the area to exploit for financial gain. For example the hospitality industry, particularly, catering, entertainment and accommodation sectors have been experiencing exponential growth in the area. New hotels, guest houses, restaurants and bars have sprouted up in the towns and municipalities. The respondents also reported that several opportunities abound in the logistics

and transportation sectors especially when the construction work begins. However, they decry the lack of capital and the ever-elusive international standards required to exploit these opportunities.

The local leaders informed the investigator that those materials such as cement, aggregate, bricks, lumber, bricks and concrete blocks will all be sourced and provided locally, however, the capacity of local businesses to provide such services is still lagging. They note that special funding and training programs should be spearheaded by the government to equip local businesses to partake of such highly lucrative opportunities.

The real estate industry in Kikuube and in the region has also experienced growth in the past decade or so in relation to the oil industry. Despite several challenges as a result of land speculation, several structures have been erected which have provided a much needed face lift in the area. The respondents also noted that the value of land in the region had risen as a result of discovery oil. It should be noted that land that is intended for several infrastructure such as roads, the pipeline or even the refinery and airport have risen in value by six or seven times their original prices.

In relation to the observed situation in Kikuube district, Ogwang and Vanclay (2019) explain that the increase in land prices is a result of increased land speculations from land dealers. Notably, the population in this district is persuaded to sell their pieces of land to benefit from the attached high prices. In similar reasoning, Kyomugasho (2016) also explained that the increase in land value in the Albertine region has been fuelled by the perceived benefits that come with oil exploration and development activities. However, whereas many residents have benefited from the current high prices, Ogwang and Vanclay (2019) warn that this has deprived them of the much higher revenues that they would reap if they sold their pieces of land in the future.

Given the viscous, waxy nature of Uganda's crude oil, specific pipeline temperature and pressure conditions will have to be maintained throughout to ensure that the oil flows as a continuous stream. One of the district leaders that participated in the study pointed out that the government was considering the development and use of geothermal energy to heat the pipeline. So far, several sites have been explored and considered for development, these include Kibiro in Kikuube, Panyimur in Pakwach, Katwe in Kasese, Buranga in Bundibugyo, Kihimbo in Rukungiri and Rubaare in Ntungamo. The steam that is extracted from these underground hot water reservoirs will be used to generate electricity for heating the pipeline. This particular

also pointed t that this energy can be used for geothermal spas, swimming pools, fish and crop drying. The geothermal potential the Albertine graben stands at an impressive 1,500 MW. Geothermal energy is a clean, renewable resource that is not affected by droughts like hydropower and offers great opportunity in diversifying Uganda's energy mix.

Finally, concerning opportunities, one of the more elder respondents retorted that he was happy because their area, the region and the kingdom of Bunyoro were getting the clout and attention they deserve because of the discovery of oil and such projects as EACOP that will soon commence in Hoima. He stated that it is because of oil that several roads and other infrastructure like electricity and telecommunication lines were set up in the area. Elated, he also vibrantly talked about other strategic investments such as the Kabaale International Airport, the petrochemical industrial park that would house a refinery with capacity of processing 60,000 barrels per day at peak, a regional public university and the newly instated Hoima regional city. He stated that all these investments have the potential to lift the face of the kingdom and enable its people attain a greater economic status in the country.

One of the most profound effects of the pipeline project in Kikuube and other major infrastructure development activities in the region is the influx of people from different parts of Uganda, and even some tribes from DRC and Rwanda. Oil-producing regions in developing countries are known for harbouring civil unrest and strife as a result of such irregular immigration patterns that translate into stiff competition for available opportunities and resources such as land. Additionally, the respondents also reported that the looming threat of the ADF rebels hiding in the thick forests of eastern Congo cannot be overlooked. Despite heavy military deployments and instalments in the area, the ADF can still inflict severe harm and damage on the people and oil infrastructure in the region. This pattern has been witnessed in Angola, in Nigeria with Boko Haram and most recently in Mozambique with the Al Shabaab terrorists.

Additionally, the influx of people from across the border in Congo and South Sudan poses significant threat in the form of massive and rapid spread of diseases such as Ebola and cholera. Several respondents decried the increasing population densities in the area as well as the growing numbers of refugees that accentuate the introduction and spread of such deadly diseases in their communities. They also added that as a result of culture mix and vices such as prostitution that come with development, the prevalence of HIV/AIDS in the area has increased.

Additionally, several conflicts have been stirred by the land-acquisition processes that are bound to increase as Uganda nears production. Numerous complaints are in local and international courts of law concerning under-assessment and under-valuation which resulted into low compensation rates for the pipeline, refinery and airport projects. PAPs on several occasions have unanimously rejected the compensation rates offered by government, forcing re-evaluation processes which are costly, time-consuming and stall projects. The GRA (2017) report cited such as the factors that usually alienate oil companies and government from local communities and once they are not resolved in the early stages before production commences, could force enmity and strife between the natives and the oil actors.

The respondents also reported that most PAPs that were relocated were not happy with their new living conditions. They stated that they were forced to live in camps like refugees and the land allocated to them was miles away from those camps. This implies that they have to walk long distances to go and work in their farms which is tiring and demoralising. They also reported that this relocation had further distanced them from public facilities such as schools and health centres. The respondents cited this as another potential source of conflict and strife between local communities and the oil actors. Due to increased speculation, an irregular land market and perceived increase in land value, land grabbing has also become rampant in the area and as such, is a potential source of conflict therein.

On the issue of compensation rates and packages, the respondents retorted that in addition to being small, they had not acquired the necessary financial literacy education and guidance required to promptly invest and utilise these finances to establish viable, sustainable business entities. Those that blew up their compensation packages through unscrupulous expenditures and unsuccessful business ventures were reported to be doing worse than they had been before the compensation process. It was reported that some NGO's have been providing some relief to people and households in this category; however, it is often times inadequate and very unsustainable. Such conditions coupled with incessant displacement of people create resentment within societies, lead people to lives of crimes such as theft and can easily develop into serious insecurity threats in the area.

The local residents also intimated that the advent of the petroleum sector in the area has replaced other forms of industry in the area. Government has relegated its role of supporting local farmers with inputs and other forms of extension services to NGO's and oil companies that usually engage in CSR activities. The tourism sector is also expected to suffer the same if

deliberate efforts are not undertaken to ensure that the wildlife parks and reserves in the area are protected from harmful oil activities. These have far-reaching socioeconomic outcomes such as people forsaking local economic activities to partake of the lucrative oil operations. Often times, these are not labour intensive and are short-lived which implies gross loss of valuable skills. Additionally, research shows that these are tell-tale signs of the Dutch disease in an economy (Cai & Newth, 2013).

The Albertine region is blessed with a wide array of flora and fauna, numerous lakes and rivers, wetlands and a litany of aesthetically-pleasing sites and features. It is believed to be among the most bio-diverse areas on the African continent. The respondents allayed fears that the petroleum industry would have devastating impact on the environment and eco-systems therein. Despite being an underground pipeline, risks of spills and related repercussions of fires, contamination of land and water bodies still abound. Pilferage and poor maintenance of pipelines worldwide are some of the leading causes of oil spills. Oil spills contaminate/degrade farm land, drinking water and inevitably alter the aesthetic features and smell of an area. Even some of the methods used to clean them up such as flares or use of chemically-decomposing agents (bacteria) have proven to be dangerous to one or more elements of the environment.

Further research (Kwesiga, Oil & Gas Journal, 6th/8/2019; Nabiruma, Oil & Gas Journal, 18th/9/2018 & Kulabako, Oil & Gas Journal, 11th/6/2019) revealed that the pipeline will traverse areas with several plants located in swamps and riverine forests which are of conservation importance and offer several ecological services therein. One of these plants is listed by the International Union for Conservation of Nature (IUCN) as vulnerable, six are on the Ugandan red list and two are classed as gold star endemic plants. Concerning animals, the pipeline was mapped to pass through areas which harbour the Bohor reedbuck, the African golden cat, hippopotamus and spot-necked otters. The chimpanzees in Wambaya and Bugoma forest reserves are classed as endangered globally by the IUCN. Birds of conservation importance such as the grey-crowned crane and the hooded vulture in Wambabya FR, papyrus swamps and other wetlands have also been marked by the IUCN as rare and threatened. All the plant and animal species in consideration are highly endangered and very sensitive to ecological changes.

The EACOP also crosses rivers like Wambabya, Kafu, Nabatanzi, Katonga, Kibaale and Jemakunya which offer several ecological services such as water for domestic use and hold a variety of fish species. Other such protected areas are sources of food, fuel and medicine for

the people that live there. These areas also control water flow, soil erosion rates, air quality and climate. Already, habitat loss and fragmentation is occurring at unprecedented rates due to increasing population and encroachment of human activities; if the impact of the oil industry especially that of the pipeline is not well mitigated, the alteration of these ecosystems and eventual extinction of such endangered species of plants and animals are inevitable. In addition, since most of these resources are trans-boundary in nature i.e. shared by districts or even lake Albert which is shared by Uganda and Conco, there will always be a threat of conflict over pipeline spillages and other negative consequences of the EACOP (Kwesiga, Oil & Gas Journal, 6$^{th}$/8/2019).

# 5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

## Introduction

This chapter provides the summary and conclusion of findings pertaining to the study objectives, recommendations on how construction and land-acquisition activities of oil-related projects ought to be handled to ensure continued growth in the rural economy. It also proposes further areas of study.

### 5.1. Summary of Findings

According to the responses collected from the focus group discussions, the researcher was exposed to a rich mix of people and cultures with over twenty tribes co-existing in Kiziranfumbi and Buhimba sub-counties in Kikuube district. Lunyoro is the most-widely spoken dialect in the study area where as the Bakiga make up the majority of the population. This phenomenon is an indication of growing interest in the area of study as a result of the discovery of commercial hydrocarbon reserves in the region. Additionally, the agricultural practices in the area have invariably become mixed with both livestock rearing and crop farming co-existing albeit on a smaller scale since different cultures and ethnic groups are inclined to practice different forms of agriculture. Crops like millet, potatoes, *matooke*, beans, sorghum, maize, cabbages, and cassava among others are widely grown in the area whereas the commonest livestock reared include cows, pigs, goats, sheep and rabbits. Subsistence farming is mainly practiced with very little spared for sale.

In addition to the East Africa Crude Oil Pipeline (EACOP) project steered by CNOOC, there are other main oil-related projects underway in a bid to prepare the region for oil extraction in the coming years. The Kabaale International Airport in Buseruka sub-county in Hoima district is near completion. In addition to the construction of the Kabaale airport, the other main oil-related projects are underway in a bid to prepare the region for oil extraction in the coming years. In addition to the construction of the Kabaale airport, the other main oil-related projects are underway in a bid to prepare the region for oil extraction in the coming years. Additionally, impact assessment studies were said to be underway for the East Africa Refinery project which will be steered by Total E&P. The Kabaale – Kiziranfumbi oil road is also under construction. Other programs such as HOGACHA are in place to equip the natives with skills that will enable them to benefit from the oil sector. Several oil companies like Total E&P, Tullow and CNOOC are also conducting several Corporate Social Responsibility (CSR) activities in the area such

as the refurbishing of schools and instalment of modern ICT facilities, drilling of boreholes, construction of latrines, and distribution of seedlings to local farmers. These programs and activities have a major impact on the quality of life of the local people in the region.

### 5.1.1. Objective One; To assess the effects of the EACOP development activities on the livelihood of people in Kikuube.

The respondents unanimously agreed that the most prominent effect of the EACOP activities was the displacement of people and their activities from which they derived their livelihood. Agriculture has for a long time been the main economic activity in the area and since it relies on both labour and land, the rate of agricultural productivity in the area was reported to have slumped as a result of loss of the above. The residents also reported that the valuation, sensitisation and compensation processes were haphazardly conducted and have since reduced incentives for the local people to engage in agriculture. The lack of proper land titles was reported to be a main factor in the numerous land issues that came up during the acquisition process. Issues of gender imbalance during the entire consultative process came up where women asserted that they were not considered in the preliminary stages of the acquisition process.

Respondents were of the view that the government has relegated some of its services to private companies, especially NGO's which now handle things to do with sensitization, distribution of agricultural inputs such as seeds or fertilizers amongst others thereby demoralising farmers, and cutting short their capacity to increase the number of animals on their farms while others have abandoned the practice completely. Closure of markets and obstruction of roads has also greatly affected the selling and transportation of agricultural goods. The respondents also decried the increased pollution from fumes, dust and noise produced from the on-going construction projects in the areas. These have devastatingly deteriorated the living conditions of humans and their livestock. This was said to have greatly demotivated farmers in the area.

The advent of the EACOP project in the area has also birthed a new migration pattern, most prevalent amongst youths who leave rural areas and move into towns in search of better employment opportunities. Some have been employed as turn men, on-site traffic officers, porters, masons etc whereas others are engaged in business and trade. Better infrastructure also abounds in the area. New *murram* roads have eased transportation of people and their goods, more available and reliable electricity also improves the living and working conditions whereas

better telecommunication infrastructure ensures connectivity within people in society. Small businesses such as restaurants, bars, lodges have sprouted up everywhere in the area.

### 5.1.2. Objective Two; To assess the effects of the eventual influx of people in Kikuube.

The immigration of people in Kikuube district and in the Albertine region in general is mainly attributed to booming petroleum exploration and development activities in the area. The behemoth development in infrastructure stock and quality as well as the resultant creation of more business opportunities for entrepreneurs to exploit in the area has attracted a multitude of people to come and partake of this. The respondents also asserted that there are several groups of people from Congo , South Sudan and even parts of Uganda that are running away from conflict, death and climate change hazards. This influx has had profound impact on the economic activities that are practiced in the area. People have resorted to business and trade, deserting agriculture. Plantations and produce-markets have been gradually replaced by small towns. The fishing industry has also suffered from the effects of over fishing despite the overwhelming presence of the UPDF Marines unit on lake Albert.

With increasing numbers of people in an area, it implies that shared resources such as land are also over stretched. Land fragmentation is now common practice with most farmers only engaged in subsistence farming, over grazing has also been reported. Deforestation and encroachment on reserve land is also rampant as more people seek land for settlement and cultivation. Communal resources such as boreholes and water wells have been damaged or depleted by over-use. Delivery of social services has also been strained, especially in the health sector during the COVID-19 periods. Government hospitals and health centres are always over crowded, and the medical workers are usually stressed, tired and grumpy. This reduces their efficiency at work and puts the lives of their patients at risk.

Some positive outcomes were also reported that result from the high population in the area. Business and trade are higher now in the area and more beneficial than it was decades back. The new infrastructure has facilitated better transport as well as better living and working conditions which implies a healthy, willing labour force. Prices of commodities are relatively stable in the long-term as a result of sustained demand and supply patterns. The fishermen have also reaped great benefits from the high population due to greater market for their produce. Concerning the sociocultural dimension, the respondents reported that their societies and the people therein had inherently experienced what is termed as Cultural Amalgamation where

people with different cultures, beliefs and behaviours blend in together rather than one group extinguishing the others. This phenomenon is evidenced by the new mixed farming patterns as well as the languages used in the area, and the ease with which several people can speak and understand other foreign languages.

In summary , The local leaders and the residents also reported that the rate of land grabbing in the area had increased as a result of land speculation and great anticipation of high compensation rates offered by government for land and properties on the land. Land conflicts are also numerous as a result of oil projects such as the EACOP. They also reported that there had been alienation of people and households from their families. Theft, murder and robbery are rampant in the area. Domestic violence cases have also increased which is also evidenced by the number of children running away from their homes in the area. Vices such as prostitution have also increased, evidenced by increasing prevalence of HIV/AIDS in the local population.

### 5.1.3. Objective Three; To study the opportunities and threats arising from the EACOP project in Kikuube.

The onset of the oil and gas sector in Uganda portends a brighter future in terms of human resource development. It was reported that several residents had relatives and friends who had benefited from numerous skilling and training programs across the country in institutes such as UPIK, Sunmaker etc. Other study programs have also been set up at local universities like Makerere and UCU to impart knowledge and skills regarding the industry. The presence of such projects like EACOP in Kikuube have also brought in several CSR programs where oil companies are engaged in building/refurbishing schools as well as sponsoring local students to pursue highly prestigious study programs that would have been entirely unattainable for them.

It was also reported that the EACOP project, in conjunction with many other similar oil and gas related development projects had created numerous direct and indirect jobs for the locals in the area. It was further argued that if the local content regulations and provisions are enforced in the industry, Ugandans will most likely benefit since most of them had engaged in several study and skilling programs to acquire the necessary knowledge and skills such as welding for working in the petroleum industry. Ugandan companies and businesses are also hopeful that they will benefit through provision of numerous services such as catering, security, logistics, etc that are required in the petroleum industry.

Such petroleum-related development projects like the EACOP have spurred great development in the stock and quality of infrastructure that is located in the study area. The respondents reported that in a bid to create favourable conditions for the exploitation of the natural resource, the government has constructed more, better roads, provided reliable electricity, installed better, more complex telecommunications equipment, better water and sanitation facilities to mention but a few. This has massively improved the living and working conditions therein, spurred on entrepreneurship and led to a boom in the small-businesses and services sector. Before the COVID-19 scourge hit the country, the respondents reported that the tourism industry was flourishing. Other sectors like hospitality management and real estate were also flourishing.

Finding and exploiting inter-sectoral linkages in an economy is a strategy pertinent to ensuring sustainable development. Already the EACOP project has incited concerns amongst government officials and energy experts about the need to develop geothermal energy which will be purposely used to heat the pipeline and ensure a continuous stream of crude flowing from Hoima to Tanga in Tanzania. It should be noted that geothermal energy is clean and renewable, offering great benefits and a diversified energy source mix. Uganda, in particular the Albertine graben region alone has a geothermal potential of 1,500 MW. Finally, projects like the EACOP and other oil-related development projects have lifted the name of Bunyoro in Uganda and internationally. The residents were happy and stated that even greater things were expected such as a regional public university, a petrochemical park and Uganda's largest international airport.

In conclusion, in regards to the threats of the EACOP project in the area, it was noted that such developments attracted a huge number of people which places a lot of pressure on shared resources such as land. It was intimated that such vices as land fragmentation and numerous land conflicts were on the rise and bound to continue that way. This huge population with fewer resources to share is also a recipe for future conflict when people realise that their expectations are not in tandem with what is being earned in the area. Additionally, the influx of Congolese and South Sudanese nationals in the region also poses several security threats, such as the infiltration of ADF rebels in the area. Several diseases such as Ebola, cholera have also been brought into the country by these groups of people.

It was also noted that the displacement of people from their land was also another possible source of conflict in the area. Many families and households decry the low compensation rates

that were used by the government as well as the late payments. Even the PAP's that were relocated also have several outstanding issues such as putting them in camps as well as allocating them farmlands that were too far away from their camps of residence. If these concerns and grievances of the local residents are not looked into and resolved before production commences, enmity and strife between the oil actors and the residents will certainly abide. The oil industry has also usurped the relevance of other forms of activity like agriculture in the area. The government has relegated its role of service provision to NGO's and oil companies which is a tell-tale sign of the Dutch disease in an economy.

In summary, the entire Albertine region is blessed with many natural resources like lakes, rivers, forests, flora and fauna which all constitute one of the most beautiful yet most fragile ecosystems in the world. Several species of plants and animals located in habitats along the EACOP pathway were considered to be endangered and as such, improper planning and management of oil activities along the pipeline corridor will have devastating effects on these flora and fauna as well as the environment. The rivers, lakes and the land are also at risk as a result of spills, fires and any other hazards that project such as the EACOP portend in the area. Since most of these natural resources are shared by districts in Uganda, and lake Albert is shared by Uganda and Zaire, pollution and other mismanagement consequences are potential areas of conflicts between administrative authorities.

### 5.2. Conclusion

This study focussed on explaining the socioeconomic effects of having the EACOP project in Kikuube district, particularly in the sub-counties of Buhimba and Kiziranfumbi. The investigator sought to assess how the land-acquisition process as well as the numerous infrastructure development projects in the area had affected the livelihoods of people therein. It was discovered that these effects were both positive and negative in nature. Some of the positive socioeconomic effects include new infrastructure that has provided a face lift for the area, improved living standards, spurred on entrepreneurial exploits and, exponentially grown businesses and trade in the area.

The value of land has risen, people from within the country as well as foreigners have flocked the region creating market for goods and services created locally. However, this process is also rife with several land-acquisition irregularities that are a source of conflict now and in the future. Insecurity also abounds as a result of these new foreign arrivals who could easily be infiltrated by ADF rebels, or even carry foreign diseases like has been the norm with cholera

and Ebola in Uganda. It is therefore pertinent that government, oil companies and other development partners, especially in the civil society work hand-in-hand to resolve and better plan for amicable resolution strategies for such issues arising as a result of petroleum activities.

Additionally, the study also sought to discover and explain the perceived opportunities and threats, from the locals, concerning the oil and gas industry in their area. Several opportunities were reported in sectors such as education, hospitality, real estate and tourism. It was also noted that such projects as the EACOP would spur further developments in infrastructure in the region. All these serve to elevate the status of the Bunyoro kingdom in Uganda and also give it international recognition. On the side of threats, perhaps the most prominent is the issue of insecurity arising from land conflicts, dissatisfaction of the PAP's and the ever-looming threat of the ADF rebels across the border. The EACOP project also poses great danger for the environment and the endangered species of flora and fauna that are located along its winding pathway.

## 5.3. Recommendations

### 5.3.1. Short-term recommendations

The government, oil companies and civil society organisations ought to develop extensive sensitization and training programs including provision of extension services in order to enable the local farmers gain expertise, and increase their productivity in accordance with the standards required by the oil industry employees and other potential buyers. Empowering SACCOs in the region with capital and inputs that can be used in agricultural production is expected to help farmers tap into the highly lucrative oil and gas industry. This could ensure growth in both the agricultural and oil sectors.

Since the population is expected to continue growing due to the oil boom, the government should ensure the safety and security of people and property in the area through sensitization that targets the foreigners, and unemployed youth. The youth could also be trained as local defence units so that they protect the local communities from both local and foreign threats. This will motivate them to work even harder and produce more, hence boosting the rural economy.

Respondents also recommended that the destroyed communal infrastructure such as markets and roads should be reconstructed elsewhere since they offered significant services to the communities. The roads will improve accessibility to different areas, not only for farmers but

also for buyers. The markets will also provide a venue for selling off produce. These recommendations if implemented are expected to motivate persons who had neglected farming, and boost production thereby fostering agricultural growth in the study area.

In regards to promoting gender equity and women's empowerment in compensation, and relocation of project affect persons, the government and oil companies should ensure that women are involved in deliberations and decision making at all stages right from land acquisition processes so that their views are heard and integrated in the implementation of ensuing decisions.

### 5.3.2. Long-term recommendations

It was widely recommended by respondents that the government should conduct a national land census to document the different landowners in the country, and ascertain their ownership claims. With such data in place, the bureaucracies involved in land title acquisition will be eliminated. This is expected to reduce the severity of land conflicts in the country, and ease acquisition processes.

Since several oil related activities that require huge chunks of land are yet to begin, it was also recommended that a system be put in place through which the compensation packages are administered periodically as though it were a 'drip-by-drip' process to reduce excitement and possibilities of squandering the entire package. This would also allow the concerned government institutions and oil companies to monitor the utilisation of funds received, and ensure optimum use.

Concerning environmental management, it is recommended that government builds the capacity of district local governments to assess and manage the environmental and socioeconomic challenges arising from different petroleum operations. The government in conjunction with concerned partners such as the World Wildlife Fund (WWF) should plan for and establish alternative wildlife corridors to minimise habitat fragmentation which will minimise the impact of petroleum activities on flora and fauna, and also ensure that the sector coexists with the tourism industry.

## 5.4. Body of Knowledge

I have identified the key role of government in monitoring and enforcing standard procedures in communities that are hosting oil-related large scale land based investments to ensure that the

locals optimally benefit from the sector. The relegation of some roles by government to oil companies that instead perform them as a form of Corporate Social Responsibility (CSR) has disadvantaged the rural economy in Buseruka sub-county since these companies and profit-oriented, and therefore offer minimal services whose costs do not have huge financial burdens on them. Sensitization and counselling programs, especially concerning financial management should be spearheaded and controlled by the government to ensure that project-affected persons are well prepared for life after eviction. Without proper planning and execution of such land acquisition activities, and understanding of the underlying issues pertaining to the different cultures, gender roles and communities, challenges are bound to exist and affect the economic growth in the area, and other similar contexts.

Activities associated with oil exploration, development and production operations have local detrimental and significant impacts on the atmosphere, soils and sediments, surface and groundwater, marine environment and terrestrial ecosystems in any oil-producing region. Multi-faceted approaches need to be developed for the management of environmental impacts of oil production–related activities and several environmental laws have been institutionalized to regulate the oil industry in Uganda today. However, effective understanding of oil activities and associated socio-economic effects need more multidisciplinary approaches for sustainable risk mitigation and effective environmental protection of the oil–producing host communities.

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**APPENDIX 1**

## RESEARCH INTERVIEW GUIDE

## UGANDA CHRISTIAN UNIVERSITY

## INSTITUTE OF PETROLEUM STUDIES KAMPALA

Dear respondent(s),

I am a student at the Institute of Petroleum Studies (IPSK), pursuing an MBA in Oil and Gas Management. As part of the requirements to graduate, I must conduct a research study and write a report. This guide as part of the study is designed to enable the researcher to obtain the perspectives and opinions of the respondents who include local and sub-county leaders as well as household heads in Buhimba and Kiziranfumbi sub-counties, Kikuube district. The study examines the socioeconomic effects of the EACOP project in the area.

You have been identified as a key informant in this study, so please spare a few minutes of your busy schedule to respond to the following questions. The responses will be aggregated to the project and used purely for academic purposes. Your honest and sincere responses are highly appreciated and shall be treated with utmost confidentiality and respect.

**Background Data**

1. For how long have you been a permanent resident in Kikuube district?
2. What tribes do you know of co-exist in this area?
   Ugandan vs. Foreign: What are some of the most prominent cultures or languages used in the area?

**Resource – Curse Theory**

3. What economic activities are indigenous to this area and have long provided a source of livelihood for the people herein?
4. Apart from the EACOP project, name some of the other oil-related development activities taking place in this area.
5. Has there been a shift of late from local indigenous industry in favour of the nascent petroleum sector;
   - By government?
   - By the local communities?

**Effects of EACOP development activities on livelihoods and rural economy**

6. What kinds of activities have been undertaken by the Government of Uganda and the oil companies to support the EACOP project in this area?
7. How have the above activities positively/negatively affected the life of people in the area;
8. How have the above activities positively/negatively affected the sources of livelihood of the people living in the area;

**Effects of influx of people in Kikuube**

9. Has there been an irregular influx of people in the area since the discovery of hydrocarbons herein? If yes, can you specify which kind of people have been coming into the area, their origins and some of the reasons that bring them?
10. How has this influx of people positively/negatively affected the life of the inhabitants of this area?
11. How has this influx of people positively/negatively affected the sources of livelihood of the people in this area?

**Opportunities and Threats of the EACOP project in Kikuube**

12. What are some of the opportunities that the communities perceive could be borne by the EACOP project?
    - Economic
    - Sociocultural
    - Environmental
13. What are some of the threats that the communities perceive could be borne by the EACOP project?
    - Economic
    - Sociocultural
    - Environmental

**Recommendations**

14. What do you think should be done in future by the Government of Uganda and the oil companies to ensure that the local communities benefit from the EACOP project in particular, and the Oil and Gas industry in general?
15. What should the local people do to ensure that they benefit from the Oil and Gas industry in Uganda?

**THANK YOU**

## APPENDIX 2

Institute of Petroleum
Studies - Kampala

30th August, 2021

TO WHOM IT MAY CONCERN

Dear Sir/ Madam,

**RE: INTRODUCTION FOR MR OSINDE NATHAN ONDESI TO CONDUCT RESEARCH IN YOUR ORGANIZATION**

Greetings in the precious name of our Lord.

I wish to introduce to you the above-named person, who is a master's student pursuing Master of Business Administration in Oil & Gas Management, of Uganda Christian University in affiliation with the Institute of Petroleum Studies – Kampala (IPSK).

His proposal has been approved by our vetting committee and is in the process of collecting data. Mr. Osinde would wish to conduct research in your organization.

The title of his research is "ASSESSING THE CURRENT SOCIO-ECONOMIC EFFECTS OF THE EAST AFRICAN CRUDE OIL PIPELINE PROJECT (EACOP) ON THE COMMUNITIES IN KIKUUBE DISTRICT."

By copy of this letter, all respondents are notified that this study is for academic purposes and as an Institution, we request you to cooperate in facilitating this very interesting research project.

Sincerely,

James Mugerwa

DEAN OF STUDIES

INSTITUTE OF PETROLEUM STUDIES - KAMPALA
30 AUG 2021
DEAN OF STUDIES
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